

PEOPLE
rd. 33 Million Paid
Paperback Rights

The Global Newspaper
Edited and Published
in Paris
Printed simultaneously
in Paris, London, Zurich,
Hong Kong, Singapore,
The Hague, Manila,
Miami, Rome.

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

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No. 32,489 32/87

PARIS, SATURDAY-SUNDAY, AUGUST 8-9, 1987

ESTABLISHED 1887

U.S. Delays Escorts In Gulf as It Waits For Anti-Mine Force

By Molly Moore and Edward Walsh

WASHINGTON — U.S. military officials have delayed for up to a week the escort of three more reflagged Kuwaiti oil tankers, until minesweeping and other protective forces arrive in the Gulf, according to Defense Department sources.

The forces are being sent because a mine damaged a reflagged tanker during the first escorted convoy and because Iran has raised new threats of retaliation against the United States.

The sources said Thursday that the Joint Chiefs of Staff decided formally on Wednesday to postpone the operation "to let equipment arrive" in the Gulf.

[Iran, meanwhile, was to have ended four days of military maneuvers at midnight Friday. The official Islamic Republic News Agency said a remote-controlled boat packed with explosives was rammed into a dummy target Friday, and an anti-ship missile was test-fired over the Strait of Hormuz. The Associated Press reported.]

Italy Wants UN Force to Sweep Mines

The Associated Press

ROME — Italy proposed Friday that the United Nations Security Council consider setting up a multinational force to carry out minesweeping in the Gulf, a statement from the office of Prime Minister Giovanni Cona said.

Foreign Minister Giulio Andreotti made the proposal in a telephone conversation with Foreign Minister Hans-Dietrich Genscher of West Germany, the country currently holding the chairmanship of the Security Council, the statement said. It said Mr. Andreotti had asked the West Germans to examine whether the council should consider such a move.

Earlier Friday, the West German Defense Minister said Bonn might send a small navy fleet to the North Atlantic of the Mediterranean to free U.S. ships for duty in the Gulf.

The Italian announcement came after a cabinet meeting called to discuss the Gulf situation and Italy's response to U.S. calls for aid in minesweeping to help guarantee passage for oil tankers.

Reacting to the Italian proposal, a U.S. State Department spokesman said, "We would support any international cooperation in that area."

Italy had previously rejected a U.S. request to help in minesweeping. Britain, the Netherlands, West Germany and France also have turned down the United States.

The statement Friday reiterated the Italian position that the Iraq-Iran war and the surrounding complications should be resolved in an international forum. It also urged that efforts to implement a UN cease-fire resolution for the Gulf be "preserved, stimulated and supported."

"The cessation of hostilities between Iran and Iraq," the statement said, "is the condition to fully guarantee free navigation in the Gulf."

Defense Minister Valerio Zanone called free passage in the Gulf "of vital strategic and economic importance" and said he believed "it should be defended."

He said Italian minesweepers, if called upon, could reach the Gulf region in 25 days. Their deployment would require approval by Parliament.

A West German Defense Ministry spokesman in Bonn said a decision on whether to move ships to the North Atlantic or Mediterranean was likely "within the next few days." He denied news reports that West German officials had already decided to send the ships.

"A small fleet may be sent to the North Atlantic or the Mediterranean to relieve the Americans," the Defense Ministry spokesman said.

Bonn officials have said the country's constitution forbids its military forces from taking part in patrols outside North Atlantic Treaty Organization areas.

Admiral William J. Crowe Jr., chairman of the Joint Chiefs, and Defense Secretary Caspar W. Weinberger spent an hour with top congressional leaders Thursday in a Pentagon meeting to discuss the Gulf operations.

Representative Les Aspin, Democrat of Wisconsin and chairman of the House Armed Services Committee, who has criticized the military as short-sighted in the face of threats such as mines, said he left the session "feeling a little better."

"The military is at least beginning to think in terms of what's unusual," Mr. Aspin said. "I don't know if it's going to work."

Secretary of State George P. Shultz denied reports that the reflagging of the three tankers was postponed because a high-level Iranian delegation was in Kuwait.

See GULF, Page 6



A landslide destroyed the village of Aquilone, Italy, in July.

When the Alps Changed Sudden Italian Disasters Raise Question Of Humanity's Relationship With Nature

By Roberto Suro

SONDRIO, Italy — The Alps of the Valtellina seem high and mighty, giants incapable of change during one person's lifetime. But this summer the mountains did change, and now they are dangerously fragile.

"We have to go around on our tiptoes right now because this could crumble any minute," said Maurizio Azziola, a geologist, who was wearing heavy hiking boots and various pieces of equipment strapped around his waist.

He was pointing at a soaring mountain-side partly covered with pine trees, and he was talking about it as if it were a mound of beach sand piled up by a child.

Since July 18 at least 44 persons have been killed by floods and landslides in the Valtellina, a long valley in Lombardy northeast of Milan. Now, deep anxiety sets in whenever the weather forecast calls for rain.

"The Valtellina is like a person who has just undergone major surgery," Mr. Azziola said. "Even a bit of influenza now can become life threatening."

Sondrio, the provincial capital, with a population of 23,000, looks like a town preparing for a siege.

All day, helicopters ferry workers and equipment up and down the 70 miles (115 kilometers) of the valley. Soldiers in neat fatigues are everywhere, at roadblocks, in the cafes and marching off down mountain trails.

Around every corner, down every street,

on every other wall hangs a big poster describing in bold black letters the worst case. It is an evacuation plan.

Geologists have concluded that the very structure of the valley is undergoing an unexpected and unpredictable change.

The most dramatic example of this alteration is a huge landslide last week in which the entire face of a mountain came loose and dumped about three million cubic meters (four million cubic yards) of dirt and rock into the valley, raising its floor more than 300 feet (90 meters).

On Sunday afternoon in Bormio, the town at the head of the valley, a funeral was held for the 28 persons who died in the landslide, most of them in a village that had not been emptied because the experts had not imagined such a great movement of land. There was only one coffin in front of the altar; the other victims have never been found.

The firefighters who searched the village

"The Valtellina is like a person who has just undergone major surgery."

— Maurizio Azziola, an Italian geologist

Summit Accepts Arias Plan

Latin Americans Take Alternative To Reagan Draft

Compiled by Our Staff From Dispatches

GUATEMALA CITY — The presidents of five Central American nations tentatively agreed Friday on a peace plan that rests on their ability to work out further agreements that have eluded them for years.

Diplomats and other sources said the fragile plan was arranged at the two-day meeting of the presidents of Guatemala, Nicaragua, El Salvador, Honduras and Costa Rica.

"The principal goal of the summit has been achieved," said Luis Solis, the chief of staff for the Costa Rican Foreign Ministry. "It's a tremendous breakthrough."

Roberto Viera, El Salvador's vice minister of communications, called the agreement "conceptual" but an "important step forward."

Mr. Viera said the United States and the Soviet Union and its allies would be "exhorted" to halt aid to insurgent forces in the region, but he acknowledged there was no guarantee they would do so.

"We have agreed on all points," said Mario Quinones Amezcua, the Guatemalan foreign minister, "but there's still much to do."

He would not elaborate on remaining negotiations.

In Washington, the speaker of the House of Representatives, Jim Wright, Democrat of Texas, said he was called at 4:30 A.M. Friday by the Costa Rican ambassador to Washington, Guido Fernandez, who said he was speaking on behalf of the Costa Rican president, Oscar Arias Sanchez.

Mr. Wright said Mr. Fernandez told him that the five presidents agreed to a peace plan proposed by Mr. Arias rather than the one proposed by President Ronald Reagan on Wednesday.

Asked if the Reagan initiative lent impetus to an agreement, Mr. Solis replied: "I don't think the Reagan plan was any more important than any of the others. President Arias said all along that the Reagan plan was incompatible with his own."

At the White House, a spokesman, Roman Popadiuk, said: "We hope they come to an agreement that promotes peace and democracy in the region. But it is prudent to wait and see the outcome of the summit."

Mr. Wright said, "It sounds very encouraging."

The speaker said that the five presidents, including the Nicaraguan president, Daniel Ortega Saverde, agreed that a commission will be convened within 15 days to begin work toward the following goals:

- To bring about within 90 days a simultaneous cease-fire in Central America.
- To reach agreement from each nation not to supply aid to any rebel group trying to overthrow any existing Central American government.
- To prohibit use of any country's territory for the purposes of supporting, overthrowing or undermining any other Central American country.
- To provide verification of the above measures.
- To bring about amnesty for political prisoners and armed opponents of nations in conflict.
- To begin a process of democratization in the area.

The proposed plan apparently does not mention a central element of Mr. Reagan's framework: a halt to Soviet, Cuban or East bloc military aid.

See PEACE, Page 6

Iran's New Diplomatic Tune Plays Well in Moscow

By Philip Taubman

MOSCOW — As an avowedly atheist state that sells arms to Iraq and is engaged in a war against Islamic guerrillas in Afghanistan, the Soviet Union hardly seems a promising partner for the Islamic revolutionary leaders of Iran.

But the Iranians appear to have put aside their differences with the Soviet Union to forge a friendship of sorts in recent weeks that challenges American interests in the Gulf and gives the Soviet Union an advantage, at least temporarily, in an intricate competition there.

The latest Iranian-Soviet move came this week with announcements in Moscow and Tehran that the two countries, which share a long border, had reached general agreement to jointly develop large economic projects and to deepen relations.

The Iranian news agency, IRNA, reported that the projects would include oil pipelines and a railroad linking the Soviet Union with the Gulf.

Moscow's Gulf strategy, according to Middle East and Western diplomats, revolves around the triple goals of reducing tensions, blunting American influence and improving political and economic relations with Gulf countries, particularly Iran.

The surprise has been Iran's willingness to put aside hostility toward its northern neighbor. Experts in Moscow and the West attribute this willingness to encourage Soviet overtures as stemming from Tehran's desire to thwart Washington and play one superpower against the other.

Moreover, Arab diplomats in Moscow say

the Reagan administration has taken the lead in the UN effort to end the Gulf war, it has simultaneously pursued a high-risk strategy of bolstering American military forces in the Gulf to protect international shipping, setting up a possible confrontation with Iran.

Moscow, citing the American buildup, has urged other countries to condemn the American role, a position Iran was more than willing to endorse.

Washington's moves have been made against the backdrop of the White House effort to improve relations with Iran in 1985 and 1986 by covertly selling arms to Tehran, one of the key elements of the Iran-contra affair that not only shook the Reagan administration but also damaged American credibility in the Middle East.

"You have to admire the way the Russians have exploited the situation to play the role of peacemaker while working effectively to get in the good graces of Iran," a Western diplomat said this week.

An Arab diplomat said, "The Iranians are masters at manipulating other powers for their own ends, and the Soviet Union is no exception."

The diplomats said that because of quixotic behavior by Iran's leaders, the Soviet gains

could be quickly erased by an unexpected change in Tehran's policy or leadership. American officials have noted that, despite the talk of economic cooperation, no firm agreements were signed during the visit to Tehran by Mr. Vorontsov.

The stakes for Washington and Moscow are great. The Gulf is the main source of oil for Western Europe and Japan and an important source for the United States. Also, the region is a political and religious powder keg that could quickly ignite.

Both superpowers are particularly eager to maintain some influence with the Islamic fundamentalist leadership in Iran, looking for possible changes after the death of Ayatollah Ruhollah Khomeini, the Islamic leader.

Moscow, while calling for the withdrawal of all foreign forces from the Gulf, has carefully avoided any commitment to support a UN-sponsored arms embargo against Iran or Iraq if a ban proves necessary to enforce the cease-fire resolution, Iran, which has superior military power and holds the advantage in the war, is expected to delay as long as possible before giving a clear response to the cease-fire demand.

The Soviet Union, with a large Moslem population of its own, is concerned about the

NEWS ANALYSIS

that the Iranians want a reasonably stable relationship with the Soviet Union, which is a continuous presence and threat.

"If Iran intends to play the role of regional power, which it clearly does, then it needs at least the tacit acceptance of the Soviet Union," a Middle East diplomat said. "They can't afford to have both Moscow and Washington shivy at them."

In addition, Moscow's eagerness to play a peacemaker role with Iran and Iraq serves as a convenient way for Tehran to get a diplomatic discussion going with a member of the United Nations Security Council without having to accept or reject the UN call for a cease-fire in the Gulf.

Deputy Foreign Minister Yuli M. Vorontsov, playing the role of mediator, visited Baghdad and Tehran twice in recent weeks.

Washington's policies have also given Moscow and Tehran a common cause. While

Klosk Reagan to Speak On Iran Affair

WASHINGTON (UPI) — President Ronald Reagan announced Friday that in a nationally broadcast speech Wednesday night he will discuss the Iran-contra affair and his plans for the rest of his term.

The speech is apparently meant to quell calls for a news conference that likely would have focused exclusively on the arms sales to Iran and the diversion of some proceeds to the Nicaraguan rebels.



Camille Chamoun, 87, a former president of Lebanon, died Friday of heart failure. Page 2.

GENERAL NEWS

■ Punjab gunmen, believed to be Sikh terrorists, killed at least 23 persons in attacks. Page 5.

ARTS/LEISURE

■ The Getty Museum in Malibu, admirable as it is, needs to learn about image building, Souren Melikian says. Page 7.

BUSINESS/FINANCE

■ Prices on the London Stock Exchange fell sharply for the second day in a row. Page 9.

MONDAY

Wine investors are cautiously awaiting the harvest, and experts believe prices will rise. In Personal Investing on Monday.

Down close: DOWN 2.23
The dollar in New York:
DM £ Yen FF
1.8925 1.564 151.80 6.3075



Coffins of pilgrims killed in the Mecca rioting being carried through Tehran during funeral services Friday.

AIDS in the Line of Duty: A Doctor's Shattered Life

By Susan Okie

WASHINGTON — Dr. Hacı Aoun remembers the moment at Johns Hopkins Hospital in February 1983 when, he believes, he became infected with the AIDS virus.

The Venezuela-born physician, then a 27-year-old resident at Johns Hopkins, was taking care of a teen-age boy with leukemia who had undergone a bone-marrow transplant and received multiple transfusions. The boy began vomiting blood.

Dr. Aoun grabbed a thin glass tube and collected a sample to get a quick measure of the patient's blood count. He ran to the laboratory and jabbed one end of the tube into a prny-coated card designed to plug the end so it could be spun in a centrifuge — a simple procedure he had performed many times.

This time, the blood-filled tube shattered and Dr. Aoun inadvertently drove its jagged end deep into his finger.

He became ill about three weeks later with fevers, a skin rash, exhaustion, muscle aches and swollen glands. Blood tests and biopsies of his lymph nodes and bone marrow revealed nothing. After a few weeks he recovered and forgot about the accident.

At the time, the virus that causes acquired immune deficiency syndrome had not been

discovered and no blood test existed. But when Dr. Aoun developed fatigue and weight loss in November 1986, both he and his doctor recalled the accident and decided to test him for infection with the AIDS virus even though he had no other risk factors.

The test was positive, indicating AIDS infection. A stored blood sample from Dr. Aoun's patient, who had died a few weeks after the 1983 incident, also was positive on two separate tests for infection with the virus, according to a report from the Maryland state laboratory.

Today both Dr. Aoun's health and his prospects have been shattered. He has AIDS-related complex, a disorder that is milder than AIDS but usually progresses to the full-blown disease. A former chief resident at the Baltimore hospital, with a promising career in cardiology, he cannot find a job. On good days, he feels well. On bad ones, he feels warm and tired and his muscles ache.

His case illustrates the dilemmas that the AIDS epidemic poses for health-care workers and hospitals.

For workers, there is increasing fear of

accidentally becoming infected. For institutions, there is concern over how to protect employees without denying care to people with AIDS. And when a worker is infected on the job, it raises thorny questions about confidentiality and institutional responsibility.

Dr. Aoun, by all accounts a brilliant and dedicated doctor, said that one of his superiors, when told of his infection, responded, "You know, medicine these days has some risks because of this disease."

He said that as a doctor, he accepts that risk. "If you're in the room and your patient starts to throw up blood, you're not going to say, 'I'm going out to put on my gloves and my gown,'" he said.

But he added, his eyes filling with tears: "These institutions have a responsibility for the young people that work there on the front lines. They should provide them with life insurance and accident insurance, just like a NASA astronaut or a commercial pilot. Because if something happens to them, as in this case, it's very easy for the institution to get off."

In June, Dr. Aoun filed a \$35 million lawsuit against Johns Hopkins Hospital and two former superiors.

He contends that hospital officials broke an agreement to keep his infection confiden-

tial, spread rumors that he had contracted the virus sexually, failed to provide compensation they had promised and manipulated blood samples to try to discredit his claim that he had been infected by a patient.

Attorneys for the hospital and Johns Hopkins University deny the allegations. They say that the hospital had no legal obligation to keep Dr. Aoun's infection confidential and that he was offered a much more generous compensation package than required under Maryland's workers' compensation laws.

Dr. Patricia Charache, the director of Johns Hopkins' microbiology laboratory, denied that the hospital had manipulated blood samples. She said three laboratories had run additional tests on the same sample that the state laboratory reported as positive and that the results were negative.

Two blood samples from the leukemia patient had been saved by cancer specialists at the hospital. The second, taken after the patient had received multiple transfusions, tested positive for the virus.

Dr. Aoun and his wife learned that he was infected with the AIDS virus on Christmas Eve. "We had a miserable Christmas," he said.

Both his wife and their 16-month-old daughter have tested negative for the virus.

Hearings Aid Reagan, Poll Shows

By David S. Broder

WASHINGTON — The televised Iran-contra hearings brought about a partial restoration of President Ronald Reagan's personal credibility but did little of lasting impact to bolster support for aid to the guerrilla forces opposing the Sandinist government in Nicaragua, a Washington Post-ABC News poll indicates.

The poll also indicates that the hearings went on too long for the public taste and left too many questions unanswered.

The survey shows that fewer Americans think that Mr. Reagan lied about the arms sales to Iraq and diversion of funds to the Nicaraguan rebels and that more blame his advisers and consider his mistakes minor than was the case before the hearings.

But his overall approval rating is at the 50-percent level, where it has hovered since the issue became public in November.

The three-day survey of 1,205 adults showed little enthusiasm for the 11 weeks of hearings by the joint House-Senate committees.

Fifty-eight percent of those surveyed agreed with the statement that Congress spent too much time looking into the Iran-contra affair, while 39 percent disagreed with it. And 58 percent said many important facts were not uncovered, while 38 percent disagreed with that view. Only about one-third of those sampled took both views.

Only 10 percent said they felt that they understood what happened "very well," compared with 35 percent who said "not too well" or "not well at all" and 55 percent who said "fairly well."

The star witness, to no one's surprise, was Lieutenant Colonel Oliver L. North, while his former boss on the National Security Council, Rear Admiral John M. Poindexter, was the only one of six featured witnesses given negative scores on credibility and favorability.

Of the four current and former top administration officials who

Unemployment In U.S. Falls to A 7 1/2-Year Low

The U.S. unemployment rate fell to 6 percent in July, the lowest level since December 1979, the Labor Department said Friday. (Page 9.)

The drop of 0.1 percentage point from June was hailed by President Ronald Reagan as "pointing to a solid start for the economy" in the months ahead, and the news boosted the dollar on foreign exchange markets. (Page 13.)

In July, companies added 470,000 workers to their payrolls. The job gains were spurred by unusual, seasonally adjusted growth in manufacturing payrolls.

The commissioner of labor statistics, Janet L. Norwood, noted that industrial activity usually drops off in July and that payroll employment falls. "This year, the job reductions were much less than usual," she said. But she acknowledged that seasonal adjustments had played havoc with jobless figures the previous two months.

See PARTNERS, Page 6

See POLL, Page 6

Simon Sells Authenticity for '88

Liberal Democrat Runs as Genuine Voice of His Party

By E.J. Dionne Jr.
New York Times Service

PORTSMOUTH, New Hampshire — The older man with the bow tie and horn-rimmed glasses seemed out of place at the waterfront bistro, with its dusty-peach walls and heavy-beamed ceilings, where the crowd leaned toward the young, the affluent and the trendy.

There was nothing trendy about Senator Paul Simon of Illinois, who was there seeking support for his Democratic presidential candidacy. The 58-year-old Mr. Simon, a liberal, shook every available hand, but when it came time for the local news conference, he offered a message that seemed more appropriate for a longshoreman's union hall.

"I think it is a mistake for us to move away from our traditions," he said. "Some of these people who describe themselves as neo-conservatives — what they're really saying is let's make the Democratic Party more acceptable to the country club set."

"I don't buy that at all. I want a party that continues to care."

The party, he said, "had to bring yesterday's concerns up to date. That was different from abandoning its heritage altogether. And abandonment, he said, is exactly

what some Democrats seem to want. He did not name them, but the suggestion was that some of them were Democrats running for president.

"What some of the people are saying is, 'Let's move away from a government that cares, from a government or a party that identifies with working men and women, that identifies with seniors,'" Mr. Simon said.

"I reject that advice," he added. He urged Democrats to act like Democrats and not like closet Republicans.

That is the heart and soul of Mr. Simon's candidacy: fidelity and authenticity. The fidelity is to a set of Democratic principles and to a set of names he means like a litany of the saints: Franklin D. Roosevelt, Harry S. Truman, John F. Kennedy, Hubert H. Humphrey, and even, at times, Jimmy Carter.

Authenticity is about wearing bow ties and rejecting contact lenses and not minding at all if he looks like a character out of a 1940s movie or like Pee-Wee Herman, the goofy television character to whom Mr. Simon is sometimes compared.

The bow tie, in fact, has become for the Simon campaign what the PT boat was for Kennedy. It is a symbol of what makes him different, and he constantly calls atten-

tion to it, even using a bow tie to dot the "i" in "Simon" on his bumper-stickers.

This amounts to a clever way of packaging Mr. Simon's rejection of packaging. "What the American people will be looking for is a candidate who levels with them," he said. "They do not want a slick package that the PR firms produce."

He likes to quote a reporter who asked him: "Is the bow tie your declaration of independence?"

What has surprised some Democrats is that Mr. Simon, although less well-financed than most of his competitors, has been making some real progress as the one candidate who has already found his theme and message.

The high point of his campaign so far was his performance last month in a debate in Houston among Democratic candidates. Mr. Simon, the supposedly un-talented candidate, turned in an impressive performance by being the come-as-you-are candidate who simply said what was on his mind.

A group of 25 Iowa Democrats gathered to judge the debate rated Mr. Simon's presentation as one of the best, granting him a few days of stardom among the columnists and commentators who had, up to then,

'What the American people will be looking for is a candidate who levels with them.'

— Paul Simon



refused to accord his candidacy much credibility.

The debate is still having an effect. Mr. Simon, who loves street campaigning and will fill in the gaps in his schedule by shaking hands with potential voters anywhere, anytime, was greeted on the street by people who actually associated the name "Paul Simon" with him and not with the far-better-known musician whose own popularity may be boosting Mr. Simon a couple of percentage points in the polls.

The Simon campaign is, in part, a test of one theory about what Ronald Reagan's electoral victories meant for American politics. Mr.

Iran-Contra Committees Plan To Recall Several Witnesses

By Walter Pincus
Washington Post Service

WASHINGTON — The chairman of the House select committee investigating the Iran-contra affair has said that additional witnesses will be questioned in an attempt to settle contradictions and answer questions that have developed in 11 weeks of hearings.

The chairman, Representative Lee H. Hamilton, Democrat of Indiana, said Thursday that there were "a lot of depositions to be taken," and added, "There are some leads we need to follow up on."

Among those to be recalled, according to congressional sources, are Rodney B. McDaniel, a former National Security Council staff member who took notes at President Ronald Reagan's daily intelligence briefings in 1986; Michael Ledeen, a former consultant to the Security Council who played a key role in the 1985 Israeli shipments of U.S.-made arms to Iran; and James R. Radzinski, who maintained Security Council files of sensitive documents.

Mr. Radzinski reportedly has testified about seeing at least one other document similar to the so-called diversion memo that outlined an arms shipment to Iran and

contained mention of spending some of the proceeds to help the anti-Sandinist rebels in Nicaragua.

The committees also will call other witnesses who have not been questioned before, but sources refused to identify them.

Mr. Hamilton said further inquiry was needed because with "almost every single witness there are questions we don't know the answer to, but probably should know."

As he had during his closing statement Monday, the House chairman noted that the panels had not "ruled out additional public hearings if the evidence warrants it."

The House and Senate panels are scheduled to report to their respective bodies in October.

On Thursday, the committees concluded their currently scheduled hearings when the last of three top Central Intelligence Agency officials appeared in a closed session.

In the last few days, the committees have questioned Duane K. Ridge, the agency's counterterrorism chief; Alan Fiers, chief of the CIA Central American Task Force, and Clair George, the agency's chief of covert operations.

Each of the three had been interviewed before but questions about their testimony were raised by statements made by Lieutenant Colonel Oliver L. North and other witnesses during their appearances before the committees.

Mr. Clarridge, a close friend of

Colonel North, coordinated the November 1985 air shipment of Hawk missiles by Israel to Iran. He maintained to the panels that he believed at the time that the cargo was oil drilling equipment.

Mr. Fiers and Mr. George were said by Colonel North and the CIA's Costa Rican station chief, who uses the pseudonym of Tomás Castillo, to have known of and approved of Colonel North's and Mr. Castillo's activities on behalf of the contras at a time it was prohibited by law.

Mr. Hamilton said the private testimony on Tuesday and Wednesday had not shed further light on the role played by the late CIA director, William J. Casey.

He added, however, that he believed that Mr. Casey had played "very much a central role" in the Iran-contra affair. He said he reached that conclusion after listening to testimony that included Colonel North's repeated mention of Mr. Casey as an adviser on his covert activities in support of the contras, including the diversion of funds from the proceeds of the Iranian arms sales.

Laos to Meet With U.S. Group

UNITED PRESS INTERNATIONAL
BANGKOK — Laos announced Friday it would receive a U.S. delegation Monday and Tuesday for talks on efforts to locate the remains of the 550 Americans listed as missing in action in Laos.

Now, a \$75,000 U.S. College Degree

By Lawrence Feinberg
Washington Post Service

WASHINGTON — The cost of a U.S. college education is continuing to climb far more rapidly than inflation, according to a new College Board survey. At some of the most prestigious private colleges and universities, the total, four-year cost of a bachelor's degree has reached \$75,000.

"It's sobering when you look at these figures," said Kathleen Broder, the director of information for the College Scholarship Service, the financial-aid division of the College Board, a grouping of schools, colleges and education associations.

Even with financial aid, she said, "it's going to require quite a bit of effort for most families to send their children" to private colleges.

Despite relatively large tuition increases, averaging 8 percent for the coming academic year, private four-year institutions generally say they have had a strong year in student applications and acceptances.

"If you are at a certain perceived level of quality, then you can charge higher tuition and get the students you want," said Mary McKeown, associate director of the finance division of the Maryland State Board of Higher Education.

"Maybe if your tuition is at a certain level," she said, "you are perceived to be of high quality."

According to the College Board data, tuition and required fees will rise an average of 6 percent at four-year public colleges and two-year private schools, and by 5 percent at two-year community colleges.

It is the seventh straight year in which U.S. college costs have outstripped inflation. The general

'It's sobering when you look at these figures.'

— Kathleen Broder, College Board official

al cost of living, as measured by the Labor Department's Consumer Price Index, rose by 3.7 percent in the last year, although recent price increases have reached an annual rate of more than 5 percent.

The nation's most expensive undergraduate institution was Bennington College in Vermont, whose total annual cost is estimated at \$19,390. Other prestigious schools, including the University of Chicago and most Ivy League schools, are charging more than \$12,000 in tuition for 1987-88 and estimate their total costs at \$16,000 to \$18,000.

In the new College Board compilation, the average tuition and fees at two-year public colleges nationwide is \$687, with

total estimated costs for computers, including living expenses, coming to \$3,899.

At four-year public colleges the average tuition will be \$1,359, with estimated costs for students who live on campus totaling \$5,789.

Among all private four-year colleges, the average tuition is \$7,110. Total estimated costs for a student living on campus will be just under \$12,000. The figures include many small private colleges, mostly church-related, whose costs remain relatively low.

Tuition increases have not cut enrollment at prestigious colleges. Harvard University had more applications than ever this year, even though its bill for tuition, room and board will be \$17,100, with total expenses, including travel, books and incidentals, reaching an estimated \$18,800.

That means that a student there can expect to pay more than \$75,000 for the four years it normally takes to receive a bachelor's degree. The cost of a bachelor's degree at Harvard and other prestigious schools reached \$50,000 five years ago, according to the College Board data.

In statements announcing their price increases, universities said they were needed for faculty pay raises and to improve research facilities and maintenance. Competition for good faculty members has increased.

General Ira C. Eaker, 91, Architect Of Daylight Raids on Germany, Dies

UNITED PRESS INTERNATIONAL
WASHINGTON — General Ira C. Eaker, 91, the architect of U.S. daylight bombing raids on German cities during World War II, died Thursday after a long illness.

He was assigned as commander of the first American air headquarters in Europe in February 1942.

three months after the U.S. entry into the war. He soon became commander of the 8th Air Force in England and then of all U.S. Army Air Forces in Britain.

It was during this period that General Eaker conceived the strategy of daylight bombing raids on Germany. British bombers concentrated raids at night, but General Eaker believed that too many targets were missed in the darkness.

He was an aviator general. He flew bomber missions himself, including the first heavy raid in August 1942.

During the 1920s and 1930s, he developed and tested procedures for aerial refueling and in 1936 made history by piloting the first "blind" transcontinental flight, flying on instruments only from New York to Los Angeles.

Nobusuke Kishi, 90, Former Japanese Premier
TOKYO (AP) — Former Prime Minister Nobusuke Kishi, 90, who was imprisoned as a war criminal but later presided over the implementation of the treaty that gov-

erns Japan-U.S. security relations, died Friday from heart failure.

Mr. Kishi was prime minister and head of the governing Liberal Democratic Party from 1957 to 1960. He was minister in charge of war mobilization in World War II and was imprisoned afterward. Upon his release he entered politics, becoming foreign minister in 1956 and prime minister a year later.

Other deaths:
John W. Wylder, 63, a Republican congressman from New York from 1963 to 1980, Tuesday of a heart attack.
Benson Fong, 70, a character actor who played Charlie Chan's son, after a stroke in Los Angeles. He appeared in more than 200 movies and television shows.
Sir Alexander MacFarquhar, 83, undersecretary for personnel at the United Nations from 1962 to 1967, July 29 in London.
David Martin, 50, a bass guitar player for the 1960s rock group Sam the Sham and the Pharaohs, Monday of a heart attack in Dallas.

Soviet Outlines Health Initiative

THE ASSOCIATED PRESS
MOSCOW — In a major overhaul of Soviet health care, the Communist Party's ruling Politburo is planning to sharply increase spending on hospitals and emphasize preventive medicine and the environment, the party newspaper Pravda said Friday.

The Politburo also approved measures to increase benefits and improve conditions for pregnant women and working mothers with small children, Pravda said.

The report said plans, to be published later, would call for substantial increases in spending on hospital and clinic construction and medical equipment. The draft also includes plans to "enhance the disease-prevention trend in health care, to make the environment healthier, and to improve conditions for the Soviet people's work, life and rest," according to the newspaper.

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Herald Tribune

Published With The New York Times and The Washington Post

Reagan's Nicaragua Move

The Reagan administration's latest reach for peace in Central America takes place under the dark cloud cast by the Iran-contra hearings. It has enraged some of the president's pro-contra constituents. More menacing to its prospects of acceptance by Congress, Democratic skeptics insist it is merely a gimmick to tranquilize doubters and buy the next slice of contra aid. But we think it would be extraordinarily shortsighted to let debate over the move degenerate into an examination of suspected motives. Far better to stipulate these, to recognize that a moment of potential transition may have arrived and to look hard for ways to make the most of it.

Lieutenant Colonel Oliver North notwithstanding, President Reagan's public command of the Nicaragua issue has slipped badly. He is within sight of his administration's terminal stages with no firm prospect of achieving what may be his most cherished foreign goal — undoing the Sandinistas. He could yet decide to pass the problem and the blame to his successors and political adversaries. The far better alternative, however, and the one we hope is guiding the president now, is to do what he can to move the struggle within Nicaragua back within political lines. To do that, the White House appears to be inviting some erstwhile critics in Congress to join Mr. Reagan in the launching of a diplomatic initiative. The president is also taking the further political risk of putting the renewal of contra aid on the back burner; he cannot know whether it will be possible to crank the program up again in the fall.

Daniel Ortega Saavedra, too, has his problems. Americans may debate the question of the contra; but the Sandinistas know their weight and sting and cannot dismiss the possibility of their remaining in the field. At the same time, Nicaragua's neighbors and fellow Latin Americans, divided among themselves and from the United States on many things, agree that a turn toward plural-

On the Presidential Mind

What was President Reagan thinking when his administration took the actions that exploded into the Iran-contra affair? That is not the same question as whether he "knew" about the diversion of Iran arms-sale profits to the Nicaragua rebels, but it is a critical question nonetheless.

Americans need to know more about a presidential mind-set that could generate such disasters. They need to know what it was about Mr. Reagan's thinking that made his aides behave as they did. Only by wrestling with these questions can the congressional investigating committees satisfactorily conclude their enterprise.

The public hearings just ended have offered tantalizing but conflicting views. The highest-ranking witnesses agree that the president was privately soft about his firm public policy against ransoming the U.S. hostages and that he was passionate for the contra cause. Donald Regan, Caspar Weinberger and George Shultz agreed that the president had set a clear course on these issues.

Mr. Regan, the former chief of staff, gave one view of the president's thought process to explaining the whopper his boss told at a news conference last November. The president repeatedly denied that Israel or any other nation had served as a conduit for arms shipments. Mr. Regan's explanation: The staff briefed the president in such a way that "I think the presidential mind was confused" about what he could safely say in public.

A few days later Mr. Reagan disclosed to congressional leaders the diversion of Iran arms-sale profits to the contras. He told them that the diversion, which he said he had not known about and did not con-

How Can They Get It Right?

When America publicly washes its dirty covert linen the whole world laughs, according to Richard Secord, the former arms salesman to Iran. If Mr. Secord thinks he is correct, nobody would laugh in or at Britain, where an Official Secrets Act makes it a criminal offense to disclose anything the government calls an official secret. And there are never public inquiries into the two secret services, MI5 and MI6. In fact, the system is more effective in denying to the British people what everybody else — including the Soviet Union — already knows.

Hence this rueful announcement in a recent London Economist: "To all but one country, our readers have on this page a review of 'Spycatcher,' a book by an ex-MI5 man, Peter Wright. The exception is Britain, where the book, and comment on it, has been banned. For our 420,000 readers there, this page is blank — and the law is an ass."

For Americans reading "Spycatcher" it is not James Bond who comes to mind but Inspector Clouseau. Perhaps Mr. Wright, a former assistant director of the British equivalent of the FBI, badly overstates his tale of bungling amateurism and treachery. Perhaps he is wrong in suspecting that his onetime boss was a KGB mole.

But if Mr. Wright has got it wrong, how can the British possibly have the opportunity to get it right? Under the law, British publications cannot even review "Spy-

catcher" — though thousands of copies are legally flooding into London. Unable itself to inquire into Mr. Wright's charges, Parliament has to accept Prime Minister Thatcher's insistence that there is nothing to them, that it is risky to let a former spy relate events 20 years stale. It says a lot about her bureaucracy's protective obsessions that even a Thatcher quail at a closed inquiry into what may have been the most heavily infiltrated intelligence service in the West.

How can the British correct what they cannot even sensibly debate? Who will believe denials about matters deemed unfit to print? Perhaps Mr. Secord, who thinks the American system is so laughable, can explain.

Frisbee's Well at 30

THE Frisbee is celebrating its 30th anniversary, which may surprise some of its devotees. The plastic disc first took to the air in its present form during the Eisenhower administration, but took off, so to speak, with the flower children. Since, it has been adopted by laid-back sportsmen in 50 countries. Perhaps the reason the Fris didn't go in the 1950s was the conservative, responsible nature of the youths of that era. They were known to prefer more serious recreations. Like Hula-Hooping.

U.S. Partisans Should Give Nicaraguan Peace a Chance

By A.M. Rosenthal

NEW YORK — This important political message has been delivered to those paying attention: There are people in the U.S. Congress, press and politics who have been demanding peace in Nicaragua but would rather have the war continue than see if the Reagan administration can possibly end it.

That is sad, because some of them are people of national reputation. They seem wrapped up in ideology or hatred of the administration, or fear that its success will damage their political dreams or those of the Democratic Party.

There are Americans who are looking for some kind of decent solution to the suffering in Nicaragua and who are willing to examine any serious idea. However, the denouncers of the peace proposals presented by the administration and the speaker of the House, Jim Wright, a Democrat of Texas, reacted so swiftly and harshly that they seem less interested in working toward a settlement than in using Nicaragua as a political weapon or a political crusade.

Central American politicians are meeting now in Guatemala on the problem of the war in their neighborhood. And what they are saying is that the Reagan-Wright plan may have problems but is a major development in U.S. policy, represents a real chance for peace and should be taken with total seriousness. Guatemalans are saying that, and so are Costa Ricans, Hondurans, Salvadorans. Some Nicaraguans are saying that, too.

The Guatemalans and Nicaraguan representatives in Washington were informed in advance of what the proposals would be. Almost everybody else in the capital was startled when the new U.S. package of peace proposals was put forward. With some exceptions, it was close to the plan that was proposed by President Oscar Arias Sanchez of Costa Rica, who warmly championed by American supporters of the Sandinistas.

At once — within hours — administration critics were charging that the purpose of the plan was to get aid for the contras in case the Sandinistas turned it down. That may be true, but not the

corollary that followed in print, on the floor of Congress and on television: Therefore it was a trick, a sham, and not worth considering.

In Guatemala City the Central Americans are not talking sham but concentrating on similarities between the U.S. and Arias proposals and how to negotiate differences.

Both call for a cease-fire, an end to foreign military aid and foreign freedom, and a political solution. There are obstacles: the Sandinistas do not want to sit down with the contras to negotiate a cease-fire as the U.S. plan proposes. And Washington's 60-day time frame is too short. So nobody would expect instant agreement on all points — except those who do not want an agreement.

Arabs and Israelis have negotiated for years

without being in the same country, let alone the same room; that is how Henry Kissinger used to make his living. And 60 days can become 90 days if the plan is not killed in the crib. Also, Washington is asking for an election commission, rather than a referendum, as the Arias proposal rather starkly. But Washington does not seem to care if it insists President Daniel Ortega Saavedra resign before 1989's scheduled election.

Does anybody really expect a Marxist dictatorship to hand over power, under any agreement? Certainly not the Sandinista supporters in the United States. And not those who hanker for political democracy. The Sandinistas may wind up saying so. But first they will consider the criticisms, such as the dropping of the U.S. embargo and the suggestion of U.S. economic assistance. So even though this "ploy" could lead to a Sandinista double-cross on political freedom,

the proposals have potential long-range benefits for both sides. For Managua: peace, stability, economic growth. For Washington: hope that the peace process can bring about enough ening-up in Managua for a political alliance between some of the contras and the democratic center, oppressed but still alive.

Senator Edward Kennedy, Democrat of Massachusetts, was one of those who immediately called the whole thing a sham. Men like Kennedy are too important to the United States to join the reflex rejectors. The point is not for either the Sandinistas or administration opponents to embrace all the proposals at once. But it would be encouraging if congressional leaders like Mr. Kennedy would give any move left, right and center willing to give any move toward honorable peace a chance. Even if it does come from Washington.

The New York Times

At Last, There Is a Promising Plan to End This Bloodshed

By Ronald Radosh

NEW YORK — Jim Wright, the Democrat from Texas who is speaker of the House, deserves plaudits for sticking his neck out and trying to forge a policy that would develop the first bipartisan consensus on how the United States should deal with Nicaragua.

He is already drawing fire in the form of ill-served condemnations from the left wing of the Democratic Party and the extreme right of the Republican Party, both of which view the Wright-Regan administration proposals as a betrayal of their positions. On the Democratic Party's left, Senator Edward Kennedy has branded the proposal a ploy "to score points with Congress" and "an effort to rehabilitate a flawed and failed policy." The conservative Republican, Representative Jack Kemp of New York, called the plan a "surrender when the tide was going our way."

Sandinista leaders have given a mixed response. President Daniel Ortega Saavedra called it part of a strategy to get Congress to approve funding for the contras, but Carlos Tunnenman, Nicaragua's ambassador to the United States, preferred to emphasize the "positive and interesting elements we can work with and can be improved."

The plan is important to the Democrats because it does something that they have been desperately lacking until now: a mechanism to show that they are not unconcerned with growing Sandinista intransigence and consolidation of power, and that they realize that simple opposition to contra aid is insufficient, since it does not present any incentive that could force the Sandinistas to the bargaining table.

The plan will serve to help Nicaragua's democratic opposition by giving it support. The danger is that the Sandinists will argue that a demand for internal democratization is a new form of imperialism, meant to unseat them from power those who made the revolution. The existence of a strong opposition, no longer able to be suppressed, will give the lie to the total legitimacy claimed by the Sandinistas.

This plan addresses itself to these realities. If, the first time, promises an end to the useless and horrible bloodshed and prepares the way for both democratization and stability in Nicaragua. It should be supported.

The author, a professor of history at the City University of New York, writes frequently on Central America. He contributed this comment to the Los Angeles Times.

Tactical Errors Hobbled The Iran-Contra Inquiry

By Elizabeth Holtzman

NEW YORK — Lieutenant Colonel Oliver North has become a hero to many Americans. Polls have shown that there is even strong support for a presidential pardon. All this is apparently due to Colonel North's performance under fire. But things might have been far different had the House and Senate committees investigating the Iran-contra affair been tougher and more thorough.

The committees' major tactical blunders may have made it impossible to conduct the kind of aggressive inquiry that would have gotten to the bottom of what really happened. Perhaps they were trying to respond to President Reagan's popularity and to public confusion over the warmly championed issue at stake: the constitutional system of checks and balances. In any case, their strategy may have boomeranged and given Reagan loyalists a platform from which to broadcast their view that the ends pursued by Colonel North and his cohorts — providing aid to the contras, helping Mr. Reagan politically — justify any means. Let us look at the errors.

● Excessive timidity. The committees were ineffectively timid in dealing with the administration and witnesses. For example, they accepted edited transcripts from Mr. Regan's diaries pertaining to the Iran-contra affair. During Watergate, when President Nixon offered edited transcripts of his White House tapes, the House Judiciary Committee refused, demanded the complete tapes, and ultimately got them. It turned out that the edited tapes were a part of the presidential cover-up and became a ground for impeachment.

The committees failed to subpoena Justice Department documents, even though department stonewalling in another congressional inquiry (into an Environmental Protection Agency matter) had led to a criminal investigation by a special prosecutor. Maybe this was why, by the end of the hearings, the department still hadn't produced some of the documents sought.

Perhaps the most egregious example of timidity was permitting Colonel North to appear publicly without first giving adequate private testimony. Having abandoned the procedures used for all other witnesses, the committees were unprepared for his testimony and did not effectively question him or rebut his contentions.

● Limiting the investigation. One of the gravest mistakes was to set an arbitrary time limit for completing the investigation. No self-respecting prosecutor would set a deadline for investigating even a third-rate burglary. It is impossible to know where an investigation will end up or how long it will take. In a matter as complicated and far-reaching as the Iran-contra affair, with its foreign bank accounts, global transactions, shredded evidence and secrecy, a deadline was fatal.

A deadline gives an upper hand to those with something to conceal. They can delay turning over documents and win concessions by threatening delays. A deadline leads to hasty decisions. It forced the committees to question witnesses before being fully prepared to do so. Even worse, a deadline can limit the scope and focus of the inquiry. In fact, the committees seem to have left large gaps in the public hearing record.

● An unworkable committee structure that was an obstacle to an effective inquiry. The size of the overall select committee — 26 members, as against seven on the Senate Watergate Committee — proved unwieldy. The problem of size was compounded by that of membership, which included 10 congressional committee chairmen and the House majority leader. Their legislative and administrative duties must have made it next to impossible for them to devote the amount of time needed to master the complex details of the scandal, give guidance to the investigation staff and help shape the course of the proceedings.

There is still time to be productively used and a report to be written. If all these obstacles are not overcome, however, the public will have been ill-served and the full story will never be uncovered. Too much unchallenged scope has been given to the witnesses' dangerous claims that the president alone makes foreign policy, that any means may be used to carry out executive policies and that the president or his staff may lie to Congress at their discretion. The committees must not let self-imposed constraints become a formula for failure.

The writer, the district attorney of Brooklyn, was a member of the House Judiciary Committee during the Watergate affair. She contributed this comment to The New York Times.



The Most Important Fact: They Were Held

WASHINGTON — James "Scotty" Reston, who stands with Walter Lippmann as American journalism's most influential commentator of the last 50 years, once promulgated what should be characterized as Reston's Rule for Reporters. Beware, he warned, of making the deadline but missing the point.

For the last three months, many reporters have been making the Iran-contra deadline but, now that the public hearings have ended, how well did we grasp the point?

The record is open to numerous interpretations and will be analyzed and debated for years. But, before memory of the experience fades, here is one view of what was accomplished.

net officers, according to their testimony, and to the American people.

Left unchecked, such activities operating out of the White House were a threat to the American governmental system. The hearings did not end this kind of threat nor offer guarantees that such problems will not recur.

Critics of the hearings complained that they were boring, a waste of time and money, an unwarranted intrusion into the president's powers to set the nation's foreign policy agenda and unfair to Mr. Regan.

All of these were demonstrably untrue. Even if they were dull, which they certainly were not, and even with reporters' fabled one-day-wonder mentality and the public's lack of attention span, the hearings served a significant purpose. They provided an open forum for examination of fundamental constitutional questions.

Most emphatically, the hearings gave Mr. Regan and the causes he espouses, from contra aid to the necessity for covert operations, the best possible defense he will receive.

Keeping in mind Reston's Rule, the most important fact about the Iran-contra hearings was that they were held. They provided a necessary check on abuse of power and, by educating the public however imperfectly, served to alert the people to the dangers of such abuses.

'America Has Been Selling Off Its Family Jewels'

By Ernest Conine

LOS ANGELES — Paul Krugman, an economist at the Massachusetts Institute of Technology, predicted not long ago that "the political issue of the 1990s isn't going to be imports, it's going to be the foreign invasion of the United States."

The professor was talking about the rising tide of foreign investment in America, and he could be right.

Although it has not received much attention, the trade bill adopted by the House of Representatives would require foreign investors to report any major holding in U.S. business or real estate, or in large blocks of corporate securities. The trade bill approved by the Senate would provide for review of foreign acquisitions of U.S. businesses from the standpoint of effect on national security.

Representative John Bryant, Democrat of Texas, the sponsor of the House measure, insists that he does not necessarily oppose foreign investment. But, as he told The Wall Street Journal, "America has been selling off its family jewels to pay for a night on the town, and we don't know enough about the proud new owners."

Because of inadequate reporting requirements, the extent of foreign investment in the United States cannot be pinned down with precision. The total is frequently put at \$1.3 trillion, of which \$200 billion or so represents direct investments in U.S. business or financial institutions. If you were to require every foreign-owned enterprise to fly the national flag of its owners for a day, the result would surprise most Americans. Car-

nation Co. in Swiss. Doubleday, RCA Records, Celanese and General Tire are all German. Zale Corp., the giant jewelry retailer, is Canadian. Purina Mills, Smith & Wesson, and the J. Walter Thompson advertising agency are British. The list goes on.

Because the Japanese were late starters, their U.S. investments are not much more than one-tenth as large as those of the Europeans. But the Japanese are coming on strong. Direct Japanese investment in the United States has more than tripled, to more than \$25 billion, in just five years.

About 435 U.S. manufacturers in such disparate fields as auto assembly, chemicals, electronics, auto parts, textile equipment and steel products are owned wholly or partly by the Japanese. And that invasion continues.

In some sectors of the U.S. economy, foreign ownership has reached major proportions. To cite but two examples: Four of the top 10 chemical companies and more than half the cement industry are foreign-owned. All this is happening because of the huge U.S. trade deficit — which reflects a lack of American competitiveness — made worse in some cases by predatory trading practices by other nations — and the related decrease in the dollar's value relative to other major currencies.

When Japan and West Germany turn big trade surpluses, they are not going to stick the money under the mattress. They are going to put it to work. That means foreign loans and

investments. Last year, Japanese investors bought 35 percent of all new long-term Treasury issues, thus financing a substantial portion of the U.S. budget deficit.

As time goes on, the Japanese are increasingly attracted by direct investments in U.S. real estate and manufacturing. Several factors are involved, but the most important is the desire to buy guaranteed access to the huge U.S. market — and to do it at bargain-basement prices.

Whether Americans should worry about mushrooming foreign investment or welcome it as a godsend is a matter of dispute. On the plus side, Japanese purchases of Treasury offerings have unquestionably held U.S. interest rates lower than they would otherwise be. Japanese-owned enterprises in the United States employ 170,000 Americans. They also provide a healthy competitive spur to U.S.-owned companies.

But there is a downside. Complaints are heard that when the Japanese build a factory in America they tend to bring their own financing, construction companies and components, thereby minimizing the favorable effect on the U.S. economy.

The eventual profits will flow out of America to the foreign owners, thereby helping to fund their research and development and to perpetuate whatever competitive edge they have.

Since other nations have long had systematic review procedures to ensure that acquisitions by U.S. com-

panies serve their interests as well, there is no reason that Americans should not have them, too.

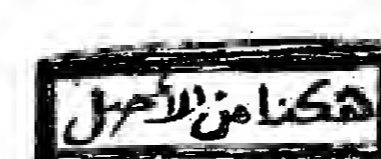
Kent Calder, a Japan scholar at Princeton, says that by the year 2000 these kinds of questions will fade into irrelevance, that the United States and Japan "will be close to being one economy." Maybe. But that should not happen without a conscious decision by the American people.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Blast Kills Leconte — General Leconte, a French scholar at Princeton, says that by the year 2000 these kinds of questions will fade into irrelevance, that the United States and Japan "will be close to being one economy." Maybe. But that should not happen without a conscious decision by the American people.

1937: Spanish Raid Ships — Both Great Britain and France took special naval measures [on Aug. 7] to protect their shipping in the western Mediterranean against further attacks by Spanish airplanes. French ships leaving Algiers were escorted by naval seaplanes, while two destroyers were ordered to cruise off Algiers and the Balearic Islands, where bombings [on Aug. 6] took place. The British government entered energetic protest with the Spanish Nationalist naval authorities in Majorca against the bombing of the tanker British Corporal. Although the master of the Italian ship *Mongiolo*, which was bombed and hit, was reported to have died of his wounds at Algiers, the Italian government is taking no action until the facts are fully ascertained. A Greek ship was reported bombed [on Aug. 7] in addition to the British, French and Italian ships attacked earlier.

INTERNATIONAL HERALD TRIBUNE
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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France.
Tel: (1) 46.97.93 00. Telex: Advertising, 613395; Circulation, 612832; Editorial, 612718; Production, 620698.
Directeur de la publication: Walter N. Thayer.
Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel: 472-7768. Telex: RS3692B
Managing Dir. Asia: Malcolm Ghosh, 50 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170
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S.A. au capital de 1.200.000 F. RCS Nanterre B 73201114. Comptes Pub. No. 61337
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At Seaside, China Plots Future

Vacationing Leaders Debate a Changing of the Guard

By Edward A. Gargan
New York Times Service

BEIDAIHE, China — In the seventh century, a Tang emperor, Taizong, journeyed through the forested Liangpeng Mountains and left a memorial stele here.



Black Cat Bar asked, "Me. I'm going to be the next party secretary." She then dissolved into giggles.

A bit of politics has crept into the Black Cat, the major bar. "The owner saw a T-shirt worn by a foreigner in Beijing quoting Deng Xiaoping's famous comment, 'It doesn't matter if a cat is black or white as long as it catches mice,'" a waitress in the bar said.

Originally, he was going to call this place the White Cat. But some Russian friends said that black cats were unlucky, so they chose something more risky, the Black Cat.

In the back, a small band played "O Susanna" and "Eidelweiss."

Young men swaggered up to young women and whisked them across the dance floor in long-step waltzes and toned-down tangos turned staccato in the flashing strobe light.

Temperatures on the dance hall climbed, and tempers outside flared when the \$1.35 door charge seemed too high.

Outside, a college student and an architect said they were vaguely aware of the meetings going on down the road.

"I know about them," the architect said. "But I don't care about them. I want to go abroad. Can an architect make a lot of money abroad?"

Told that there was considerable competition among architects, he replied, "Well, we don't have that here yet."

While the beachgoers worked on their tans, the leadership talked. Nothing has appeared in the Chinese press about the substance of the discussions so far.

But among diplomats in Beijing, who are swamped with rumors but few hard facts, it is generally believed that Mr. Deng's goal is to rid the Standing Committee of its two remaining hard-liners and pack it with younger, change-minded leaders while retaining his own tremendous influence from off center stage.

Indeed, Mr. Deng has acknowledged as much by telling several foreign visitors that they need not worry about his formal retirement because he will still remain influential.

An East-bloc diplomat in Beijing put it more bluntly: "Deng could walk the streets like a beggar, and he would still be in charge."

Although a vast number of American studies have tried to describe and analyze Japan's economic and industrial policies, the council's study, released Thursday, provides a somewhat different perspective.

It examines how both American and Japanese perceptions, social and cultural attitudes, values and styles of leadership have fed the economic conflict and could, in turn, lead to an unraveling of the postwar security alliance.

The study warns that if present economic patterns continue, "Japan will lurch back into pessimism, insularity and defensive nationalism" at the very time it was beginning to assume a greater role in global military and diplomatic affairs.

The study was written before the revelations of Toshiba Machine Co.'s sale of advanced military technology to the Soviet Union. The preface of the study mentions the case, although not by name, as an added source of tension.

Its author, Ellen L. Frost, a former deputy assistant secretary of defense and now a director of government programs for Westinghouse Electric Corp., says one symptom of the rising tension is the recent wave of "Japan bashing" in Washington.

Although there have been sporadic emotional outbursts against Japan in Congress over the last two years as the U.S. trade deficit with Japan has soared, Ms. Frost noted concern on both sides of the Pacific that the escalation of trade disputes this year and the Toshiba episode might signal a more pervasive worsening of ties.

"In these new circumstances, careful management of the alliance is more essential than ever," she said. "Unless the forces of economic change are anticipated and widely understood, conventional diplomacy may not be enough to prevent a vicious circle of mutual recrimination and resentment, leading to a severe contraction of bilateral relations."

Attacking Japan in Congress has a mirror image in Japan, which Ms. Frost describes as a "new arrogance" among some Japanese industrial leaders.

"Its protagonists have no particular interest in military spending, except to the extent that it enhances the development of new technologies," she said.

"Their patriotism takes the form of an underlying concern with national survival combined with strong competitive instincts and a certain indifference to other countries' problems. It is this insularity and narrow self-interest that the West finds so irksome and contemptible, and that is already breeding a backlash that undermines the mercantilists' own goals."



China's leader Deng Xiaoping, foreground, swimming in the Bohai Gulf at Beidaihe.

Sikhs Blamed in Punjab For Attacks Killing 23; Hindus Riot in Amritsar

By Sanjoy Hazarika
New York Times Service

NEW DELHI — Gunmen, widely believed to be Sikh extremists, killed at least 23 people in Punjab on Thursday and Friday, most of them in two separate massacres, and the authorities ordered a curfew after Hindu relatives of Amritsar after Hindu relatives of some of the victims rioted.

The killings represented a fresh upsurge in terrorist-inspired violence in Punjab and prompted a police alert in India's seven northern states.

[The Amritsar police chief, Izzat Alam, blamed the attacks there on the Khalistan Commando Force, a Sikh terrorist group. The Associated Press reported.]

Officials said they were concerned about possible attacks on civilian targets in the next several days as India prepares to celebrate the 40th anniversary of its independence.

Reports from Punjab said that Sikh extremists entered the village of Jagdeo Kalan, near Amritsar, early Friday morning and shot at villagers, killing at least 12 people and wounding several others. Those killed were mostly Hindus, witnesses said.

Press Trust of India described the village as a Communist Party stronghold, but this could not be independently confirmed. However, extremists have been stepping up their attacks on leftist activists for several weeks.

In the second massacre, the police said, terrorists shot five Hindus after a car chase Thursday afternoon on a highway near Amritsar.

Hindus in the funeral procession of these victims rioted Friday at Amritsar as the bodies were being taken for cremation, residents of the city said.

A news report added that the crowds had attacked policemen with rocks and had sought to capture a police station. The police then opened fire on the rioters, wounding at least three people and prompting local officials to impose the curfew, the press agency said.

[In later attacks, the police said, Sikh terrorists killed a Hindu Communist Party worker and fatally shot two Hindu brick kiln workers in attacks in the Amritsar district Thursday night. The Associated Press reported.]

[The United News of India reported Friday that suspected Sikh terrorists had fatally shot two Sikhs in a village in central Ludhiana district and one Sikh near Batala

north of Amritsar. It gave no details.]

The death toll in Punjab violence in July and August has exceeded 200, and it is above 700 for the year.

Sikhs are a religious minority in India, making up less than 2 percent of India's 780 million people. Militant Sikhs have been fighting for an independent homeland in the northern state of Punjab for five years.

New Delhi newspapers published reports Friday of terrorist plans to attack schools and hijack school buses.

One woman said that her son had taken part in drills at his school Thursday in which instructors and teachers trained their students to evacuate classes quickly in case of a terrorist strike.

As part of an effort to prevent such attacks, police patrols have been set up outside schools, and armed guards are being assigned to school buses, education officials said.

Roadblocks set up across the city to check vehicles and passengers for extremists and weapons have been increased and are being manned around the clock.

Soviets in China For Border Talks

The Associated Press

BEIJING — A Soviet delegation led by Deputy Foreign Minister Igor Rogachev arrived Friday for a second round of talks on resolving disputes about the Chinese-Soviet border.

The first round was held in Moscow in February. The two sides agreed then to begin an examination of the full length of the border starting from the eastern side.

Mr. Rogachev said he did not anticipate any breakthroughs in this round, which is expected to last about two weeks. Talk on the border disputes, suspended in 1979 after the Soviet intervention in Afghanistan, resumed this year amid slowly warming relations between the two nations.

3 Held in Binational Holdups

Reuters

WIESBADEN, West Germany — Two Italians and a West German have been arrested and accused of stealing 10 million Deutsche marks (about \$5.3 million) in a series of armed robberies in the two countries, the Federal Criminal Bureau said Friday.

Economic Tensions Between Japan And U.S. Threaten Security Accord

By Susan F. Rasky
New York Times Service

WASHINGTON — Economic tensions between the United States and Japan are threatening to undermine their security relationship, a study issued by the Council on Foreign Relations says.

It suggests that the cause of the economic tension is a dramatic shift in the relative wealth of the two countries over the last decade, with Japan growing relatively richer while the United States becomes relatively poorer.

Although a vast number of American studies have tried to describe and analyze Japan's economic and industrial policies, the council's study, released Thursday, provides a somewhat different perspective.

It examines how both American and Japanese perceptions, social and cultural attitudes, values and styles of leadership have fed the economic conflict and could, in turn, lead to an unraveling of the postwar security alliance.

The study warns that if present economic patterns continue, "Japan will lurch back into pessimism, insularity and defensive nationalism" at the very time it was beginning to assume a greater role in global military and diplomatic affairs.

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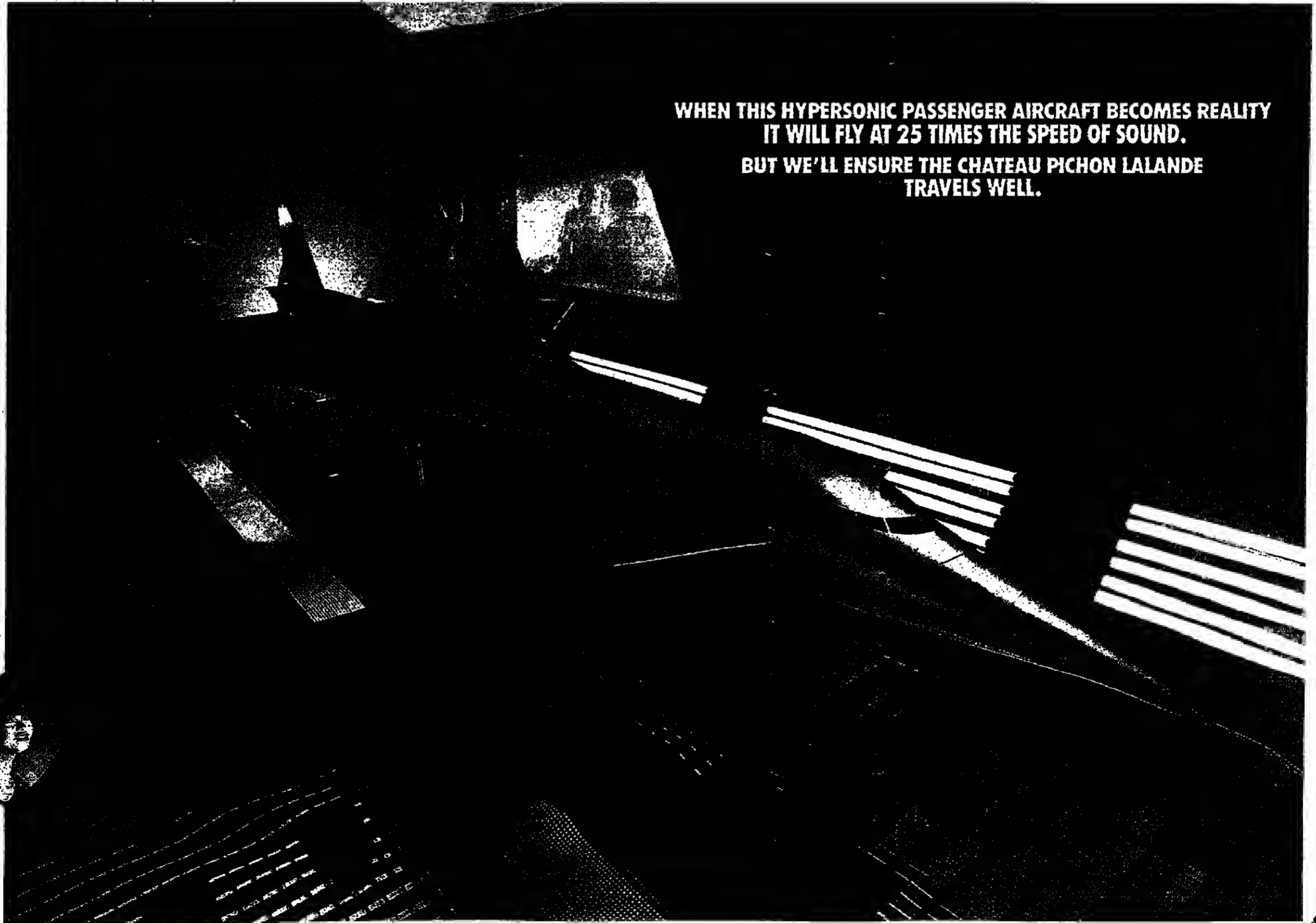
Jellyfish Hurt 1,500 At Beidaihe Resort

United Press International

BEIJING — Jellyfish have killed one person and injured more than 1,500 others in one week at the seaside resort of Beidaihe, where Communist Party leaders are vacationing, official media reports said Friday.

On July 29 alone, 166 swimmers were taken to the emergency room of the Beidaihe People's Hospital suffering from allergic reactions to jellyfish stings, the China Daily reported. Victims have serious bleeding under the skin, congestion, nausea and vomiting.

"Who's going to be the next party secretary?" a young girl at the



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Houston Hospital for AIDS to Close After Failing to Find Paying Patients

By Peter Applebome
New York Times Service
HOUSTON — The first U.S. hospital solely for AIDS patients is planning to close, a victim of internal problems and the devastating costs of treating the fatal disease.

The private research and treatment facility, the Institute for Immunological Disorders, will lose more than \$3 million by the end of its first year, officials said Thursday in announcing that it would shut down over the next year.

The rapid demise of the hospital, which began taking patients in September, reflected both planning decisions unique to its operation and factors affecting all institutions treating AIDS, or acquired immune deficiency syndrome, officials there said.

But its disastrous financial performance dramatically underscores questions about who will bear the cost of AIDS treatment, which the federal Centers for Disease Control expects to increase from \$1.1 billion nationwide last year to \$8.5 billion in 1991.

"We anticipated an initial investment, but we thought we would reach a point of economic viability," said Carol White, a spokeswoman for American Medical International, the profit-seeking corporation that ran the program in conjunction with the University of Texas System.

"But," she added, "when we looked down the long dark tunnel after almost a year of operations, we couldn't see where the point of viability might be."

The unusual joint venture, housed in a former general hospital owned by the company, was one of 14 AIDS Treatment and Evaluation Units designated by federal officials to use experimental drugs

for AIDS patients, and it was staffed by some of the top researchers in the country.

But it was unable to attract enough paying patients to keep its doors open — some were indigent or exhausted their insurance.

While the research was backed by a \$5.8 million U.S. contract to test and evaluate AIDS drugs, there were no public funds, aside from individuals' benefits, for the costs of ordinary treatment — about \$1,200 a day for inpatients and \$400 for outpatients.

Licensed for 150 beds and expecting to keep about 30 filled at first, the institute averaged only 12 inpatients. There were more outpatients than expected, accounting for the vast majority of the 700 people treated at the institute. About 350 people are getting treatment there.

More than 1,200 AIDS cases have been diagnosed in Houston, the fourth-largest number among U.S. cities.

"I think there were elements of the planning process that were shortsighted, but overall it was a wonderful idea and it's a tragedy we will not have the institute here in the future," said Brown McDonald, the executive director of the AIDS Foundation of Houston.

"My question is, where are patients in Houston going to be able to get the treatment they're getting now from this hospital?"

When it opened last year, the venture was intended to provide the first research and care facility in the nation devoted solely to AIDS. American Medical International was to provide the hospital and staff. The university, through its Health Science Center and M.D. Anderson Hospital and Tumor Institute, was to guide the research.

They envisioned an institution that would inspire research grants to finance experimental programs, provide specialized care and drugs, and attract AIDS victims from Houston and around the nation — enough to make the operation financially viable while it could become a national leader in an emerging field.

But there was criticism almost from the start. Since the hospital's doors had to be associated with the university, other local doctors could not treat AIDS patients at the institute and referred them elsewhere.

That left the institute with a glut of indigent patients, far more than officials had planned for. In addition, many of the patients still covered by insurance found the costly

drugs provided on an outpatient basis were often not covered by their policies. And many, facing a problem common to AIDS patients, found their benefits cut off while they were getting treatment.

Albert L. Guy, 47, former warehouse manager, is typical of the patients facing financial problems. He said he had lost his \$45,000-a-year job, and the insurance coverage that went with it, because of his illness.

Now, he said, his only option was to go to a county hospital for indigent care. "I will stay at home and die before I become an indigent patient," he said from a wheelchair. "I have never depended on the government. I am not an indigent patient. I lost my job because of AIDS."

M.D. Anderson officials said they believe an AIDS facility still makes sense, even though the economic viability is in doubt.

"I believe very strongly that if you concentrate people with expertise in a single area in a single institution, you have a lot better chance of making progress than by diluting it with a lot of other things," said Dr. Irwin Krakoff, head of the division of medicine at M.D. Anderson Hospital. "That's why we have cancer hospitals."



An AIDS patient in Houston, Albert L. Guy, 47, holds a letter telling him his hospital, the only one in the United States devoted entirely to treating the disease, is to close.

PEACE: Arias Proposal Accepted

(Continued from Page 1)
ary aid to the Sardinist government.

Mr. Reagan had proposed suspending U.S. military aid to the Nicaraguan rebels, known as contras, during the cease-fire and negotiations, providing only humanitarian assistance to them.

The proposals as outlined by Mr. Wright would appear to block both military and humanitarian aid to the contras.

According to Mr. Wright, Mr. Fernandez said that Mr. Arias asked him to call with news of the breakthrough and to say that had it not been for the stimulus provided by the United States "this would not have been possible."

The developments came after the administration turned down a call by Mr. Ortega for a U.S.-Nicaragua meeting.

Mr. Ortega's proposal for direct talks was rejected Thursday by Secretary of State George P. Shultz, reaffirming an established administration position.

"We're prepared to talk with anyone about things in the region," Mr. Shultz said. But he said it must be "a regional approach."

"There is no way in which the United States would want to sit down with Nicaragua to decide what is right for Central America," he said.

The Senate Democratic leader, Robert C. Byrd of West Virginia, said Thursday that it was "unrealistic" to expect a cease-fire and major strides toward democracy in Nicaragua by Sept. 30, the deadline set by Mr. Reagan.

Some critics say that Mr. Reagan's aim is to establish impossible conditions that guarantee failure, thus setting the stage for a continued flow of U.S. arms to the contras.

Mr. Byrd said the tone of Mr. Reagan's rhetoric in the coming weeks would be a measure of his sincerity. He expressed hope that Mr. Reagan would fulfill a pledge to avoid shrill attacks on behalf of the contras as long as the diplomatic effort is alive. (AP, UPI)

POLL: Reagan Aided by Hearings

(Continued from Page 1)

testified, Secretary of State George P. Shultz received the highest marks, followed by Defense Secretary Caspar W. Weinberger. The former White House chief of staff, Donald T. Regan, and Attorney General Edwin Meese 3d drew mixed reviews.

Mr. Reagan's overall approval score, 50 percent positive to 47 percent negative, is identical to what it was in January — well below the mid-60s scores typical in 1985 and 1986. Disapproval of his conduct of foreign affairs has dropped from 64 percent to 53 percent.

On a series of specific questions relating to the hearings, his rating has improved.

The percentages saying Mr. Reagan has not told the truth about the Iran situation has dropped to 52 from 69 in early June. The share saying he participated in an organized cover-up has dropped from 51 percent to 43 percent in the same span.

The portion saying he made major mistakes has dropped to 39 percent from a March peak of 52 percent. And 68 percent now say his advisers were more to blame than Mr. Reagan himself, an 11-percentage-point swing since March.

And, while 60 percent still think that Mr. Reagan knew about the diversion of money for the guerrillas earlier than he has acknowledged, that suspicion was held by 73 percent in early June.

However, 60 percent of those surveyed said they thought that Mr. Reagan would continue to have serious problems because of the affair and 51 percent said they thought that information now public hurts his ability to lead the country during the rest of his term.

The Reagan administration was cheered by spot polls indicating that Colonel North's testimony in July had boosted public support for aid to the contras, as the Nicaraguan rebels are known. But that may have been a short-lived phenomenon.

The latest reading is 59 percent against to 36 percent for military aid. Just after Colonel North's testimony, it was 46 percent against to 43 percent for the aid.

Those surveyed oppose prosecution of Colonel North by 68 percent to 28 percent, by 51 percent to 46 percent, approve a presidential pardon to prevent such

prosecution. On both questions, pro-North sentiment has slipped since July by 7 to 11 percentage points.

Sentiment on prosecution of Admiral Poindexter is 50 percent against to 42 percent for, but 58 percent oppose and only 35 percent support an immediate pardon to prevent prosecution. In the last month, sentiment has shifted against the admiral by about 11 percentage points on both questions.

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Doctor Says Koch Had a Tiny Stroke

The Associated Press
NEW YORK — Mayor Edward I. Koch of New York has suffered a "tiny, trivial stroke" but remains healthy and should be back at his desk by next week, a doctor said Friday.

Mr. Koch, 62, was taken to Lenox Hill Hospital on Thursday after suffering from slurred speech, dizziness and nausea. Doctors said they believed he had suffered a transient ischemic attack, or TIA, a briefly diminished flow of oxygen to the brain.

But Dr. J.P. Mohr, head of the stroke center at Columbia-Presbyterian Medical Center's Neurological Institute, said Friday that his ailment had been reclassified as a stroke when the condition did not disappear.

The mayor was transferred to the medical center Friday morning when his symptoms recurred.

A stroke is any arterial disturbance that either cuts or limits the flow of oxygen to any portion of the brain.

Dr. Mohr said that Mr. Koch would have to watch his blood pressure and take an aspirin, which acts as a blood thinner, each day.

The mayor is "ostentatiously healthy," Dr. Mohr said, "all of the wisecracks that made him famous."

GULF: U.S. Postpones New Escort

(Continued from Page 1)

ing to persuade that country to abandon the operation.

The London newspaper The Independent said Thursday that the Iranians had offered to stop attacking Kuwaiti shipping if the Kuwaitis canceled the escorting arrangements with the United States. Kuwait has been allied with Iraq in its seven-year war with Iran.

Use of War Act Doubtful
Mr. Shultz told Congress on Friday that the Reagan administration did not intend to invoke the 1973 War Powers Act over the U.S. naval presence in the Gulf, The Associated Press reported from Washington.

The act limits a president's authority to send U.S. military personnel into a situation of "imminent hostilities" and gives Congress a role in determining whether to involve U.S. forces.

Mr. Shultz told a Senate Appropriations subcommittee that U.S. warships were escorting, refueled Kuwaiti tankers to assure the free flow of oil to the West and "to make sure that states that are friendly to us are not intimidated by Iran."

"We don't have any intention of getting into that war," Mr. Shultz said.

And he said that because of the high incidence of terrorism around the world it made little sense to invoke the act in this instance.

Further, he said the administration would be even more reluctant to invoke the War Powers Act because it has a 60-day termination date requiring the president to

withdraw U.S. forces unless Congress declares war or specifically authorizes them to remain.

In the Gulf, an Islamic Republic News Agency dispatch said Iranian forces rammed an explosives-laden boat into a "hypothetical enemy target" in the Gulf, but the dispatch did not give the precise location. The Associated Press reported.

IRNA said the missile test-firing was ordered by President Ali Khamenei during a visit to the port of Bandar Abbas on the Strait of Hormuz.

No description of the missile was given, but Iran has Chinese-made Silkorm anti-ship missiles on its shore of the strait, which is 24 miles (38 kilometers) across. The missiles have a range of 50 miles.

In Tehran, millions of Iranians mourned the Muslim pilgrims killed in rioting in Mecca last week and chanted angry slogans at the United States on Friday, Reuters reported.

Iranians demonstrated around the country to protest the deaths in Mecca, a week ago, and crowds called for revenge on the United States and Saudi Arabia, Tehran Radio reported.

At a mass funeral in Tehran for 50 pilgrims flown back from Saudi Arabia, demonstrators chanted, "Death to America!" and burned an effigy of King Fahd of Saudi Arabia.

In the Iranian military maneuvers, Revolutionary Guards chanted, "The Gulf is Reagan's burial place!" as they sailed high-speed attack boats in view of Mr. Khamenei.

PARTNERS: Iran's New Tune

(Continued from Page 1)

appeal within its borders of Iranian-style Islamic fundamentalism.

"Soviet leaders worry about Iran the way American leaders worry about Mexico," an Arab diplomat said. "It's a source of potential instability along a sensitive border and even within the Soviet Union itself. They want to protect against the day when the Islamic revolution in Iran becomes exportable and threatens to spread through the Muslim population of the Soviet Union."

In addition, Moscow has been motivated by a desire to avoid Iranian attacks on Soviet merchant vessels in the Gulf. The freighter Ivan Koroteyev was attacked by Iranians in May.

West German Sentenced For Pro-Nazi Teachings
KOBLENZ, West Germany — A West German school teacher, accused of telling pupils that Nazi concentration camps were a fabrication, received Friday a nine-month suspended prison sentence for inciting racial hatred and insulting behavior.

A court in Koblenz heard that Rudolf Koch told his students that no more than 40,000 Jews died in World War II and that the Auschwitz concentration camp was an invention of the United States. Mr. Koch said he intended no malice and that the charges were a plot by hostile pupils and teachers.

DEATH NOTICE
It is with deep regret that we have to announce the death of Mr. LOUIS JACQUES LEFFERS Deputy Director, UNICEF Geneva headquarters in GEX FRANCE on Thursday, August 6, 1987. A funeral service will be held at l'Eglise de Saint-Pierre, Gex on Saturday, August 8, 1987. He leaves behind a wife and young daughter. His family has requested that memorial donations be contributed to UNICEF (account number: 180.575.1, Société de Banque Suisse, Geneva).

For decades the Soviet Union watched as the United States courted support from the pro-Western government of Shah Mohammad Reza Pahlavi. Since the shah was forced from power in 1979, the Soviet Union has tried, with mixed success, to develop a stable relationship with the religious leadership in Tehran, which has often seemed to view the Soviets with only slightly more favor than the United States.

Lately, Mr. Vorontsov, Moscow's top troubleshooter, has held a series of meetings with Iranian leaders in Tehran and Geneva. Soviet officials, including President Andrei A. Gromyko and Prime Minister Nikolai I. Ryzhkov, have hosted senior Iranians in Moscow.

The railroad to the Gulf included in the projects announced this week would give Moscow a route for exporting military equipment and industrial goods, a major strategic gain for a country hampered by remote ports closed by ice in winter.

MOSCOW (Reuters) — A Soviet passenger train and a freight train collided at a station and killed an unspecified number of people, the Tass news agency reported Friday.

Tass said the collision occurred at the Kamenskaya station in the Rostov-on-Don region, about 540 miles (870 kilometers) southeast of Moscow near the Black Sea.

The agency suggested the toll could be high, saying steps were being taken to assist the families of the dead.

It gave no further details but said a government commission headed by a deputy prime minister, Genadi Vedenikov, had been set up to investigate the cause of the accident.

Tass said the top Soviet leadership had sent condolences to the families of the dead.

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ARTS / LEISURE

The Getty Achievement: An Enchanting Museum

International Herald Tribune MALIBU, California — The creation of a museum with major holdings of Western art in 13 years starting from scratch — almost — is an extraordinary feat. Yet from its beginnings in 1974,

SOUREN MELLIKIAN

when through the generosity of the late J. Paul Getty the neo-Roman building went up on a Malibu hill overlooking the sea, its significance has been lost from sight.

At first, attention focused on the personality of the oil billionaire and the size of his endowment. Later, after the estate was settled in March 1982 and the proceeds turned over to the J. Paul Getty Trust, president over by Harold Williams, the interest of the media shifted to the politics of the whole affair. Commentators were also

fascinated by the size of the museum's annual purchase budget, reputed to be in the area of \$60 million. Western European museums dreamed a competition they would never be able to sustain.

Events soon justified their fears, although not in the way they expected. The Getty, under the direction of Stephen Garret since then, has been careful not to ruffle feathers and not to bid, openly or covertly, against major European museums. But it could not help the ripples caused by the mere existence of its buying power. It was like a runaway circus elephant enjoying a quiet splash in the village pond and driving out the ducks despite its best behavior.

By December 1982, when a Raphael drawing of "Christ in Glory," which is not the master's greatest, had reached the \$205,000 mark (\$328,000 at the time) at Christie's, the Europeans began to realize the nature of their problem. In July 1984, at the first sale of drawings from Chatsworth, they were able to measure the extent of the havoc. The Getty made off with seven of the eight best items or, at any rate, the most expensive ones — Raphael's "Saint Paul," Rubens, Rembrandt... — with the exception of a \$3.56 million (\$5.47 million) Raphael portrait, which it underbid. This performance, followed by others, drastically modified the balance of the market. The press,

understandably, focused on that aspect of the Getty's activities — until the next episode, which took form from Chapter 1: "Billionaire Getty Goes to Town" to Chapter 2: "Fakes! Tricks! Beware!" in what has now become an ongoing saga.

The purchase of a marble Kouros supposed to be from archaic Greece — "circa 530-520 B.C." — was the occasion. On Aug. 6, 1986, The Times of London discussed it under the none too flattering headline "£7 Million Masterpiece — or a Fake?" The remarkable technicians at the Getty Conservation Institute, an independent body operated by the Getty Trust, have carried out a surface investigation which, they say, shows a transformation process that can only take place over centuries. Unfortunately, equally remarkable collectors remain skeptical.

The statue is a bit funny, with its fat-checked, goggle-eyed smile and its rigid, flat-footed posture. Add to that a head, ascribed to the sculptor Scopas, that is unconvincing and an archaic bas relief that looks like a prop in a film set, plus a fricas about the doings of a curator who has now left the museum, and the image of the institution has suffered. That the Getty is one of the most enchanting of American museums to visit has been overlooked in the process.

For one thing, it has some wonderful pieces that are musts on the list of anyone who can afford to travel. "Portrait of an Old Man in a Plumed Hat," with its mixture of anxiety and defiance, of military swagger in a steel corset and frail age, has all the greatness of Rembrandt at his highest, scrutinizing the human face and perceiving it in a chiaroscuro well-suited to our ambivalence. Its Nicholas Berchem landscape acquired last year has the large size and the perfection of detail that museum directors dream about for a showpiece — it is a landmark in the Dutch artist's oeuvre. Collectors may prefer the marvelous study of an apostle seen three-quarters back to wonder whether it really is by Van Dyck — Who cares? It is a masterpiece in a post-Caravaggesque mood — or a small landscape by Jacob van Ruisdael for the stormy light falling from steely gray clouds over a sinuous patch of a golden cornfield.



But it is not just the individual works that make the museum such a stunner. It is the sum total and its arrangement. It is one of the few places where you can walk through the Dutch and Italian rooms, go past some easily dispensable 19th-century paintings, roam around 17th- and 18th-century furniture, then go down to ground level and stroll among Roman and Greek sculpture, all around an open patio, and leave without swimming eyes and a throbbing head. The museum has retained a human scale.

The modern display — encyclopedic displays, maps, yard-long labels — has not smitten the Getty. It has chosen to develop some well-defined sections and done so brilliantly. Some of the most marvelous French Boule furniture from Louis XIV to Louis XVI has been assembled by Gillian Wilson with dogged determination over the last 12 years, forming one of the most

magnificent sequences on view in the United States. A sprinkling of marquetry Louis XV and Louis XVI pieces, a few well-chosen objets d'art, some in the worst taste of the period with lots of gold and pink, round it off. And it works — Sevres porcelain eggs and all.

A few steps away, one stumbles upon some Italian furniture, brushes past one of the great Goya discoveries in post World War II years — the portrait of Marquessa de Sanfago — and as the weariness of overexposure to paintings or the scintillating world of 17th- and 18th-century decorative art begins to tell, one can go down to the rooms filled with antiquities around the patio.

Some are remarkable, the goggle-eyed Kouros notwithstanding. The early fifth century B.C. Kore, head, arms and legs missing, retains the vibrant dignity of Greek art on the threshold of Classicism. At the opposite end, a hoard of Parthian silver from northern Iran, misleadingly labeled "Hellenistic," is a collector's and an art historian's treat.

At recurring intervals, auction house addicts can nod at acquaintances, old and recent. That mysterious blue glass bottle with white low reliefs depicting some ill-understood syncretic rite of Egyptian origin, last seen at Christie's in London on March 5, 1985, has ended its journey here after having sat as a star piece in the Kofler Trunk collection for years.

Writing table (1710-15) attributed to André-Charles Boulle (above), 15th-century illumination by Jean Fouquet and others for "The Hours of Simon de Varie" (far left) and Rembrandt's "Portrait of an Old Man" in Getty Museum.



Even so, the museum does not reveal its full splendor at a glance, if only because its two greatest assets lie in collections that cannot be permanently displayed. If the museum should put up a monument to Burton Fredericksen, then curator of paintings, who found its greatest Rembrandt — probably the last free-floating great Rembrandt — it should build another to Thomas Kren for laying hands on a hoard of medieval manuscripts and a third to Georgette Goldner, the curator of Old Master drawings.

The 144 manuscripts acquired at one go by Kren from the Ludwig collection in 1983 must rate as the most sensational art market coup in the last two decades. From the Byzantine Gospel copied in Constantinople in 1133 to the breviary illuminated at Montecassino 20 years later, the collection yields one gem after the other for beauty as well as art-historical significance. Kren has added a few more — a Book of Hours by the great Guilbert de Metz, another Book of Hours with some miniatures by

Jean de Fouquet, one of the most famous of 15th-century French artists.

While Goldner did not have the luck to make one single big catch in Old Master drawings, he got some of the cream from Chatsworth in 1984 and 1987, and has scored several one-item coups. What must be one of the greatest Lorenzo Lottos negotiated in recent times was acquired quietly from a Boston collection at the time of the first Chatsworth sale. Sources say the price was about \$300,000. A study of a kneeling woman for Caraccio's "Holy Family and the Doctors" was in Lyon until this year before finding its way to the Getty.

Temporary exhibitions reveal the splendor of manuscripts and Old Master drawings at intervals. Small in scope, they can be events worthy of international attention. Alas, the museum does not have the time or the will to produce the well-illustrated catalogues these badly need from the visitor's standpoint — if only plates with one-line captions. The Getty Museum is an admirable institution, immensely superior to its reputation. But it has yet to learn about image building.

The museum is open Tuesday through Sunday, 10 A.M. to 5 P.M. Admission is free but parking reservations are needed. Walk-in traffic is not allowed but visitors without reservations may be dropped off at the front guard house.

Dana Ivey's Penchant for Playing the Persnickety

By David Kaufman New York Times Service

WITH noticeable consistency, Dana Ivey has played antagonists or less than commendable characters — snobs, manipulators or lovers. Her willingness to take on unlikable characters partially explains why she was the choice for the title role in "Driving Miss Daisy" at the John Houseman Theater.

Ivey portrays Daisy Werthan, a difficult Southern Jewish widow who, at 72 when the play begins, is nearly twice the actress's age, and is another 25 years older by the time the story ends.

"From what I had seen of Dana's work, I knew that she didn't flirt with audiences in that shameful way that many actresses do," said Alfred Uhry, the Atlanta-born author of the play. "I knew that she wouldn't be sentimental or wouldn't be afraid to be mean and nasty. She had always played parts where she wasn't afraid to have the audience not like the character or not think the character was adorable. I could tell that she was an honest actress, as opposed to those TV or movie people who don't play the part, but play themselves."

Miss Daisy, an ex-schoolteacher, is a fiercely independent and stubborn Atlanta widow. The story begins when she has a car wreck, after which she brusquely exclaims, "It was the car's fault!" During the course of the episodic, 90-minute play, she is compelled to adjust to the daily presence of a black chauffeur named Hoke (portrayed by Morgan Freeman), hired against her wishes by her middle-aged son Bullie (Ray Gill). The tale traces the development of the relationship between the persnickety, unfactionate Miss Daisy and the patient, humane Hoke.

Ivey began to garner attention on the New York stage in 1982 when she appeared as Monica Reed, the sassy secretary in Noel Coward's "Present Laughter." "Ivey, who speaks with acid irony and looks as if she were drawn by Peter Arno, is the production's best exemplar of the true Coward



Dana Ivey (right) plays Miss Daisy, who ages from 72 to 97 during the course of the play.

style," wrote Frank Rich in The New York Times. The following year Rich wrote that he had "a particular weakness" for Ivey in "Quartermaine's Terms." For her gifted realization of Melanie Garth, the lonely spinster and misfit schoolteacher in Simon Gray's play, Ivey won the Clarence Derwent Award as well as raves from many critics — and from the playwright himself.

"Initially thought of Melanie as seeming to be a very ebulliently straightforward type of person, although we discover in due course that she's not," said Gray in a recent interview about Ivey's performance. "And I think that what Dana explored with great richness from the very beginning was the delicacy of the spirit of this woman. She brought a wonderfully distinctive freshness to the part every evening, that was, for the playwright, both exhilarating and sometimes slightly alarming."

The next year, in 1984, Ivey received two Tony Award nominations: respectively for featured actress in a play and in a musical: as Lady Underwood, the unwelcome daughter, in Shaw's "Heartbreak House," and as Yvonne, the snobbish dilettante, in "Sunday in the Park with George."

In the intervening years, Ivey has played both on and off Broadway: as the Soviet spy and duplicitous neighbor in Hugh Whittemore's "Pack of Lies," the sadistic nanny in Christopher Durang's "Baby With the Bathwater" and the eccentric countess in Andrei Serban's iconoclastic version of "The Marriage of Figaro."

"When I read the script, she seemed like a different person than the one that has developed," Ivey said of Miss Daisy. "I thought of her as being much softer and having a greater sense of humor. But the way she's coming out is so

much more dour, more prickly and self-centered and contrary. She has this schoolmarmish and didactic aura about her."

"Sometimes it's obvious that the audience doesn't really like her at first. It takes them a while to begin to warm up to her, just as it took me a while to, because the way she expresses herself is not necessarily the way she feels. She has a great deal of fear and she's masking a lot of that. It's a process of getting to know who she really is aside from the way she presents herself. Much of this happened for me in front of an audience. Their perceptions and their responses taught me things about Daisy that I wasn't aware of myself."

The character was based on an amalgam of Uhry's grandmother, his grandmother's sisters and his mother. But despite the intimacy of his conceptions, the playwright feels that Ivey supplied him with

new insights on his own background. "Dana has helped me see how really vulnerable this lady is, how you can't be that tight and that unbending without being susceptible underneath. She makes me see a lot that I didn't see as a boy."

One of the aspects that has distinguished the actress's career is her portrayal of such a wide range of characters. "I'm a repertory actor," said Ivey with pride, "an old-fashioned product of the theater where you play one character one week and another character the next. The greatest compliment is that nobody ever recognizes you. Whereas in our valueless culture, the highest praise seems to be the star thing and constant recognition, my background is that you should create something that is so itself that nobody realizes it's you even if they saw you last week as someone else. That's the exciting part of it for me."

"I think one of the things that people are likely to say about Dana is that she's wonderfully rich in the way in which she explores seeming drabness," Gray said. "And people are likely to go on casting her in that mold which I think is a great pity, because quite clearly she's an actress who can cover the spectrum. I mean you can't do what she does as well as she does it unless you are an actress of enormous range."

"Probably I have in me," explained Ivey, "a capacity for seeing a lot of sides of life, and I seem to be able to tap into the things that make these antagonists successful. It may be because I'm not afraid of the dark side of life since I know it. I've come to terms with it myself, and I'm willing to portray it."

Ivey's experience of the "dark side" was most pronounced when she was afflicted with bouts of Guillain-Barre syndrome, a viral disease that strikes the muscular and nervous systems and that left her semi-paralyzed for two separate four-month periods, in 1969 and 1973. "I had some quite fearful moments when I thought I was going to be a vegetable for the rest of my life," she recalled. "I knew that there was a lesson in it, and that I probably wouldn't start to get well until I had somehow begun to learn what that lesson was."

After years of performing in resident and repertory situations Ivey moved to New York in 1977. She engaged audiences as the villainous Millie in Steven Spielberg's film version of "The Color Purple," and she has recently completed the TV series, "Easy Street," in which she portrayed the snooty sister-in-law Eleanor.

"In the last six months something has been carrying me along to a new and somehow different position," mused Ivey. "I met one girl at a party who said, 'Oh, Ivey, it's such a pleasure to meet you.' She told me that she included my name on an application for Juilliard as an actress who inspired her. But the upshot was that she didn't get in. So I still have to wonder what it all means."

DOONESBURY



Gift Pledged to Met Museum

New York Times Service NEW YORK — A gift of \$10 million has been pledged to the Metropolitan Museum of Art by Milton J. Petrie, chairman of the Petrie Stores Corp., a chain of retail women's clothing stores. The money will be used for a sculpture court in the four-story wing being built to house European sculpture and decorative arts. The \$51 million wing, the final element in the Met's master plan of 1970, will fill the last gap in the museum's western facade. The donation for the court, to be

named for Petrie and his wife, Carroll, was announced Thursday by Arthur O. Sulzberger, who is chairman of the Metropolitan's board of trustees and the publisher of The New York Times. The Carroll and Milton Petrie European Sculpture Court is to be 32 feet (97 meters) wide by 240 feet long. A pyramidal skylight is to rise 63 feet at its highest point. Cited by Philippe de Montebello, the Met's director, as "the last vast open space within the museum," it has been designed to evoke a formal French garden of the period of Louis XIV.

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Friday's NYSE Closing logo and text: Via The Associated Press

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Large table of stock prices (A-Z) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

NYSE Mixed in Heavy Trading

NEW YORK — Prices on the New York Stock Exchange finished mixed on Friday after profit-taking pulled the Dow Jones industrial average back from its first run over the 2,600 mark.

People are so used to the market going up

Mr. Gallagher said. "Lately making money has been as easy as picking apples off a tree."

Larry Wachtel, an analyst at Prudential-Bache Securities, said profit-taking typically sets in when the Dow moves above another century mark.

He said some traders were also concerned about increasing positions before the weekend, in case conflict intensifies in the Persian Gulf.

Houston Industries was the most active NYSE-listed issue, easing 1/4 to 32 1/2.

AT&T followed, rising 1/4 to 33 1/4. Texaco was third, falling 1/4 to 44 1/4.

United Press International

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General Motors, which slid 1/4 Thursday because of its new incentive program Wednesday to clear out inventories of 1987-model cars, rose 1/4 to 86 1/4.

Singer jumped 4 1/4 to 51 1/4. Mesa Limited Partnership, headed by Texas oilman T. Boone Pickens Jr., said Friday it controls 4.4 percent of Singer and wants to buy up to 15 percent of the Stamford, Conn.-based corporation.

Statistics Index

Table with 2 columns: Index Name and Value. Includes AMEX prices, NYSE prices, etc.

SATURDAY-SUNDAY, AUGUST 8-9, 1987

ECONOMIC SCENE

Radical 'Spasm' in Iran: What Effect on Oil Prices?

By LEONARD SILK

NEW YORK — How serious are the risks of a war in the Middle East that would close the Gulf and send oil prices spiraling upward?

Gary Sick, who was in charge of the Iran desk at the National Security Council during the Carter administration, believes that the "new incident at Mecca" means that Iran is reverting to the "frenetic, fanatical" revolutionary spirit that gripped the country after the 1979 revolution and that lasted until 1983-84.

But from 1984 until late 1986, the Iranians, suffering economically and struggling to defeat Iraq, made an effort to accommodate themselves to the Saudi oil market. They worked out arrangements with the Saudis on pilgrimages to Mecca and made arms deals with the United States and Israel.

However, as Mr. Sick sees it, several recent events have undercut the so-called pragmatists in Tehran and heightened the internal threat of a radical takeover of the government.

There was Iran's failure to win the war, then exposure of the dealings with the United States and Israel. And finally, bringing matters to a head, was the American response to the Iraqi missile attack on the frigate Stark — the Reagan government threatened Iran and not Iraq.

To contain the threat from the radicals, the Iranian authorities reverted to revolutionary rhetoric, denouncing the United States, Israel, France, Saudi Arabia and the Soviet Union.

Is this madness? Or are the Iranians crazy like a fox? Mr. Sick thinks that Iran's "latest spasm" was contrived. But he fears that it could continue quite a while, threatening other Arab states with a spread of the fundamentalist contagion.

Nevertheless, he sees incidents like the one in Mecca as an alternative to a military showdown. "Even at the height of the hostage crisis in 1980," he said, "they meticulously avoided a direct confrontation with the United States."

THE IRANIANS NEED to keep the Strait of Hormuz open. It is their economic lifeline. One petroleum economist, Maurice Adelman of the Massachusetts Institute of Technology, said Thursday that "Iran can't even eat or buy military hardware unless they can export their oil."

Iran's reported deal with the Russians, including the building of pipeline and railroad connections, would, he said, be a way of breaking a U.S. blockade of the strait.

Iran could be caught in a cleft stick by the Soviet Union on the other side. The real test of Iran's willingness to become more dependent on the Soviet Union, Mr. Sick said, is whether it will open the existing gas pipeline to Russia, which the revolutionary authorities closed in 1979. The gas pipeline, according to Mr. Adelman, could be converted to European oil, giving Iran an overland route for delivering oil to Europe or Japan.

This week, after initial fears of hostilities drove up the oil price, the market settled down a bit. The betting is now against a closing of the Gulf. To be sure, accidents can happen and events get out of control. "In the short run," Mr. Adelman said, "the oil market will be the prey of hopes and fears and hunches."

Since the plunge of oil prices after 1980, the price of a barrel of crude has fluctuated within a range of \$10 to \$20, now it looks as though that range has widened to \$5 to \$25, Mr. Adelman said.

But, in the longer run, he doesn't foresee a return to the rocketing prices of the 1970s, thanks to greater efficiency in energy use and the growth of oil supplies in nations outside the Organization of Petroleum Exporting Countries.

Stocks Fall Again In U.K.

June Trade Data Worry Investors

LONDON — Prices on the London Stock Exchange fell sharply Friday for the second consecutive day amid fears of higher interest rates and concern over trade figures due out next week.

The Financial Times-Stock Exchange index of 100 leading shares plunged 65 points shortly after trading opened, but later recovered to close at 2,226.2, down 35.2 points for the day.

The nose-dive — 91.2 points over two days, or 3.9 percent of the index's value — began on Thursday, after commercial banks raised their base lending rates to 10 percent from 9 percent.

That hike was prompted by the Bank of England's surprise decision to raise its benchmark calling rate 1 percentage point to 9.875 percent.

The increase stunned financial markets. The 100-share index tumbled a 70.6 points on Thursday, but clawed back to close a record 36 points down at 2,261.4. The largest previous one-day fall was on March 30, when the index dropped 46.1 points to finish at 2,002.5.

The higher interest rate, meanwhile, failed to bolster sterling much on Friday after giving it an initial lift on Thursday. The pound ended London trading at \$1.5675, down from \$1.5750 on Thursday, and at 2.9625 Deutsche marks, down from 2.9658 DM.

Analysts said Friday that dealers were worried that interest rates might have to rise more to ease inflationary pressures. "There is intense nervousness" about interest rates, one analyst said.

Analysts said that stock prices are likely to remain under pressure at least until the release on Tuesday of trade figures for June.

Some participants speculated that the Bank of England had engineered the rate hike in anticipation of bad trade data.

"People are regarding yesterday's interest rate hike as signaling bad news around the corner," said Ian Harwood, an analyst at Warburg Securities.

Nevertheless, he predicted that interest rates would remain at current levels for the time being.

"The government has done all it wants to do," he said. "The calm will take some time to set in."

(AP, Reuters)



Lorimar-Teletel's home on MGM's lot in Culver City, California. At left, Merv Adelson, the company's chairman.

Lorimar Gambles on the Big Screen

Can a TV Star Make It in Movies? Analysts Have Doubts

By Richard W. Stevenson

LOS ANGELES — Merv Adelson, the chairman and chief executive of Lorimar-Teletel, is not content to be the king of prime-time television programming. He wants to be a movie mogul as well.

The man whose company has given television viewers "Dallas," "Falcon Crest" and "Knots Landing" is now pulling the wraps off Hollywood's newest full-fledged motion picture studio.

Wall Street thinks that the plan is a big gamble and that Lorimar has succumbed to the allure of a business that promises big profits — but which more often delivers disappointment. Mr. Adelson insists that the venture will work and has amassed some of the industry's top managers, actors, writers and directors and a full slate of releases.

Lorimar even acquired the old MGM studio lot in Culver City last year, giving the production company one of the most fabulously sites in movie history.

Perhaps most important, Lorimar executives say, the company is also now armed with the one operation that all major studios have — a distribu-

tion network. Having set up its own domestic distribution system over the last six months, the company can control the placement of its films in theater chains and charge hefty fees to independent producers for placing their films.

The company, which had been a small maker of movies — most of them box-office failures — has a lot riding on its new strategy. The plan will formally debut with the release on Aug. 28 of "Fourth Protocol," an independent British production that Lorimar will distribute. Lorimar's first completely in-house production under the new strategy is "Orphans," starring Albert Finney and directed by Alan Pakula, which opens in late September.

Lorimar plans to have released a total of 10 films by the winter — seven of its own productions or co-productions and three acquired from outside producers. Eventually it wants to release 15 films a year, matching the biggest studios.

Mr. Adelson argues that being in domestic movie distribution is a natural extension of the company's current businesses, which in addition to television production include home video, television

See LORIMAR, Page 13

Unemployment Falls in U.S. to A 7 1/2-Year Low

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. civilian unemployment rate fell to 6.1 percent in July from 6.1 percent in June, the lowest level in seven and a half years, the Labor Department said Friday.

President Ronald Reagan, appearing at a news conference, hailed the figures as "pointing to a solid start for the economy" in the months ahead.

The U.S. jobless rate was last at 6 percent in December 1979.

The job gains in July were the result of an unusual, seasonally adjusted growth in manufacturing payrolls, and more than offset a decline of 190,000 jobs in June.

In July, companies added 470,000 workers to their payrolls, bringing the number of employed to 112.7 million, while the number of people without jobs and looking for work dropped by 36,000 to 7.2 million.

The latter figure was also adjusted for seasonal factors.

As has been the case for several months, the number of service jobs created in July far exceeded the number of new manufacturing jobs: 230,000 for services against 74,000 for manufacturing.

The number of nonfarm payroll jobs jumped by 304,000 in July after rising a revised 103,000 in June.

The commissioner of labor statistics, Janet L. Norwood, noted that industrial activity usually drops off in July and that payroll employment falls.

"This year, the job reductions were much less than usual," she said. She acknowledged, however, that seasonal adjustments had played havoc with unemployment figures in the previous two months.

The drop in the July jobless rate came as a surprise to private analysts and government forecasters, who had predicted a rise. An in-

crease was expected because the June calculation had been artificially low.

Labor Secretary William E. Brock suggested that the 0.2 percentage point drop in the June rate may have been produced by a "statistical aberration" such as the timing of the survey — a week before schools let out for summer and hundreds of thousands of young people flooded the job market.

Although the June figures showed 190,000 fewer Americans at work than in May, the data also showed a drop in the labor force of 500,000 people.

The department attributed a decline of 40,000 car industry jobs in July mostly to temporary layoffs related to annual model-year changeovers and inventory reductions.

Over the long term, the number of manufacturing jobs has increased by a net 150,000.

Still, Mrs. Norwood said, "Manufacturing has still only recouped about one-half of the jobs lost during the 1981-82 recession."

Retail trade employment rose by 60,000 in July, after sluggish performances in May and June. Business and medical services created 80,000 jobs, about their average monthly gain since early in the year.

One dark spot in the July figures was an increase of 325,000, to 5.5 million, in the number of part-time workers who wanted full-time jobs but could not find them.

The department, however, said that the number of people jobless for 15 weeks or more fell by 150,000 in July, to 1.9 million, the lowest since June 1980.

An alternate unemployment rate, including the 1.7 million members of the armed forces stationed in the United States, stood at 5.9 percent in July, down from 6 percent in June. (UPI, AP)

Japan Agrees to Consider U.S. Supercomputers

The Associated Press

WASHINGTON — The United States and Japan, seeking to resolve a trade dispute in high technology, agreed Friday to make it easier for U.S. makers of supercomputers to compete for lucrative Japanese government and institutional contracts.

The accord was made formal by an exchange of letters between the U.S. trade representative, Clayton K. Yeutter, and the Japanese ambassador, Nabuo Matsunaga. The agreement will put U.S. companies on an equal footing with Japanese businesses, both officials said.

The new agreement does not guarantee increased sales to U.S. companies but "will give them a fair shot," Mr. Yeutter said. "It's now up to the U.S. companies to demonstrate their competitiveness."

The second is designed to simplify Japanese bidding procedures.

U.S. makers of the computers, including Cray Research Inc., the world leader, say they have been all but excluded from Japanese markets through complex and confusing Japanese policies.

Mr. Matsunaga said that the Japanese gov-

ernment was considering buying two supercomputers, for its trade and education ministries, for which Americans might bid.

"We hope the American industries will make an aggressive effort" in seeking to sell the computers in Japan, he said. "The market for supercomputers is relatively very big."

Supercomputers use the fastest components and designs available and generally cost from \$8 million to \$20 million.

Mr. Yeutter said the new agreement did not address the issue of discounting of supercomputers by Japanese companies. He said the pricing issue was still the subject of negotiations.

In addition to having wide business and governmental uses, supercomputers are considered strategically important since they can be used in weather forecasting, code breaking and in various military applications.

U.S. companies, while dominating the world market for supercomputers, have been able to sell only a handful of the machines to Japanese businesses and have never sold one to the Japanese government or to universities or other institutions there.

The agreement was expected to help U.S. companies begin to make inroads in public-sector markets in Japan.

U.S. trade officials said one difficulty in selling American supercomputers to Japanese institutions has been that many Japanese companies have made their machines available at low prices or, in the case of some universities, as outright gifts.

American companies claim that Japanese manufacturers have been illegally "dumping" supercomputers at prices below market values.

The new agreement follows nine months of negotiations. It stems from an investigation launched last year by Mr. Yeutter into whether Japanese supercomputer pricing policies violate international trade rules.

That investigation has not been concluded. The Japanese recently announced a joint venture to market supercomputers in the United States. The machines are to be made by NEC Corp. in Japan but will be marketed by Honeywell Inc. of Minneapolis.

The supercomputer dispute is one of several in U.S.-Japan merchandise trade, on which Japan had a surplus of \$60 billion last year.

EC Governments Clear Pasta Pact

The Associated Press

BRUSSELS — The 12 European Community governments ratified the EC-U.S. pasta agreement on Friday, officials said. The accord settles a seven-month dispute on EC subsidies on pasta exports to the United States, averting a trade war.

The settlement was reached Wednesday but had to be ratified by the 12 governments. Under the compromise, to take effect Oct. 1, half of the EC pasta sent to United States will be made from imported wheat and will no longer be subsidized. The subsidy on the other half will be cut by 27.5 percent.

The accord came after negotiators worked past a deadline last week set by the United States. The EC had threatened to retaliate for any U.S. move against its pasta exports.

Currency Rates

Table with columns: Country, Rate, and Date. Lists rates for Amsterdam, Brussels, Frankfurt, London, etc.

Other Dollar Values

Table with columns: Country, Currency, and Rate. Lists values for Argentina, Australia, Brazil, Canada, etc.

Interest Rates

Table with columns: Term, Rate, and Date. Lists interest rates for Eurocurrency deposits.

Key Money Rates

Table with columns: Instrument, Rate, and Date. Lists money rates for US Treasury bills, etc.

U.S. Money Market Funds

Table with columns: Fund Name, Assets, and Date. Lists money market funds like United States, etc.

Asian Dollar Deposits

Table with columns: Term, Rate, and Date. Lists Asian dollar deposit rates.

Gold

Table with columns: Location, Price, and Date. Lists gold prices in London, etc.

South African Role in French Casino Plan Criticized

By Jacques Neher

PARIS — South African involvement in plans to help redevelop France's sagging gaming industry has provoked sharp criticism from labor unions and the press.

The plan, which must be approved by the government, would merge six casinos controlled by Royal Resorts International Ltd. of Monaco and the Société des Hôtels et Casinos de Deauville, and a seventh that Royal Resorts has agreed to buy.

Sun Hotels International, a company run by a South African gambling operator, Sol Kerzner, owns 49 percent of Royal Resorts.

Casinos de Deauville is a publicly traded company that is 56 percent owned by Lucien Barriere, a French casino operator.

The combined operation would be valued at around 1 billion francs (\$160 million), according to company sources.

The agreement was announced in a press release on July 31, but the story did not flare up in the French press until this Wednesday.

Under the headline, "South Africans Swipe France's Seven Biggest Casinos," the leftist daily Le Matin disclosed that Sun Hotels is a part-owner in Royal Resorts.

The remaining 51 percent of Royal Resorts is controlled by British and Commonwealth Holdings PLC, a publicly traded London company involved in financial services and air transport.

Sun Hotels is a subsidiary of Kersaf Investments. Kersaf, headed by Mr. Kerzner, is the developer of Sun City, a \$100 million casino and leisure complex in Bophuthatswana, a South African homeland, that is billed as "the biggest casino south of the equator."

The news that a South African company would be involved in

French casinos drew quick protest from labor unions.

"We fight racism in all its forms, and we can't accept having an employer that practices apartheid," said Guy Loreau, president of France's casino employees union.

Mr. Loreau said he also feared for the jobs of the 2,600 casino workers his union represents, especially as slot machines are introduced into France's casinos. The government approved slot machines for the casinos last fall.

The union is registering its protests with the Interior Ministry and the Finance Ministry, both of which must approve the merger. That approval is expected by September.

Jacques Gilbert, president of France's casino trade association, said he was in favor of the venture, as long as French stockhold-



A minority holding in French casinos by a prominent South African has drawn heated criticism from organized labor.

Blacks Buy South African Bus Firm

JOHANNESBURG — The black-run South African Bus Firm Association has won a battle against a white-led consortium for control of Putco Ltd., the country's largest bus company.

Despite Debt, Phillips Poised to Reap Benefits of Rising Prices

NEW YORK — It has taken Phillips Petroleum Co. two years to regain its footing after having spent billions of dollars to fend off two hostile takeover attempts, according to oil analysts.

Kidder Lifting Suspension Of Once-Indicted Executive

NEW YORK — Kidder, Peabody & Co. has asked Richard B. Wigton, once indicted on insider trading charges, to rejoin the firm.

Fed Approves Plan for Bank To Trade Treasury Options

NEW YORK — The Federal Reserve Board has approved a controversial plan by Security Pacific National Bank, California's second-largest bank, to establish what amounts to a private exchange for the trading of some of the riskiest securities: options on U.S. Treasury securities.

Pickens Unit Controls 4.4% Of Singer, Plans to Buy 15%

AMARILLO, Texas — Mesa Limited Partnership, headed by the corporate raider T. Boone Pickens, said Friday that it controls 4.4 percent of The Singer Co. and wants to acquire up to 15 percent.

Chargeurs Raises Stake in French Textile Maker

PARIS — Chargeurs SA, the French transport and industrial group, said Friday that it would raise its holding in the textile maker Prouvost SA to 11.69 percent.

Sanyo Electric Wings Into Loss

TOKYO — Sanyo Electric Co. swung to a group net loss of 7 billion yen (\$50.8 million) in the first half of its 1986-87 financial year, from profit of 8.19 billion yen a year earlier, the company said Friday.

Chargeurs Raises Stake in French Textile Maker

PARIS — Chargeurs SA, the French transport and industrial group, said Friday that it would raise its holding in the textile maker Prouvost SA to 11.69 percent.

CASINO: South Africa Role

(Continued from first finance page) are remained in control of the operation. "The South Africans won't be the boss," he said. "We will keep the upper hand."

Euro-Commercial Paper

Table with columns for 15-45 days, 46-75 days, 76-105 days, 106-135 days, and 166-183 days. Includes sub-columns for Issuer, Mkt, Amt, Bid, Ask.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 7th August 1987

Large table listing various international funds with columns for fund name, currency, and price. Includes sub-sections for 'Other Funds' and 'Other Funds'.

HEBE DORSEY IN THE IHT EVERY TUESDAY WITH FASHION AND THE PEOPLE WHO MAKE IT WORLDWIDE

Rothmans KING SIZE WORLD LEADER THE BEST TOBACCO MONEY CAN BUY. Includes image of a pack of cigarettes and a hand holding a lit cigarette.

CURRENCY MARKETS

Intervention Can't Halt Dollar's Rise

NEW YORK — The dollar strengthened Friday, as widespread market support once again overpowered modest efforts by central banks to quell its advance.

London Dollar Rates

Table with columns: Currency, Rate, and other financial data.

at a large West German bank. "Only massive intervention would subdue it."

John Lyman, vice president in foreign exchange at Security Pacific International, said, "Even though there have been reports of intervention, the dollar is ending the week higher than where it began. There is a tremendous demand for dollars still out there."

In addition to tensions in the Gulf, which have underpinned the

Bullion Slides As Crude Prices Continue to Fall

NEW YORK — Gold prices fell \$14 an ounce on Friday, and oil prices continued to slide on international markets.

China Expected to Issue Bond Soon in U.K., First Since '49

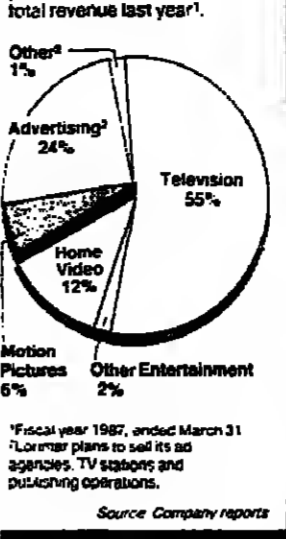
BEIJING — Foreign bankers expect China to make a bond issue in London by the end of this year, its first in Britain since the Communist takeover in 1949.

LORIMAR: Can a TV Star Make It on the Big Screen? Analysts Have Doubts

(Continued from first finance page) syndication and international distribution of films and television shows.

Planning Growth For Movies

Lorimar is beefing up its motion picture segment, which accounted for 6 percent of the \$766.2 million total revenue last year.



Brothers. Some go as far as to suggest that Mr. Adelson may be allowing the lure of big-screen glamour to get the best of his business judgment.

Even those who think Lorimar has compelling business reasons for its move are wary. "I view it with some trepidation because of their past record," said Dennis McAlpine, an analyst at Oppenheimer & Co.

Friday's OTC Prices

Large table listing OTC prices for various stocks, including columns for stock name, price, and change.

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Large table listing OTC prices for various stocks, including columns for stock name, price, and change.

Advertisement for THE DAIEI INC. (CDR) with details about the company and its offerings.

Advertisement for Blackie's House of Bed, featuring a cartoon character and promotional text.

- ACROSS**
- 1 Ring king
 - 6 Kind of coil
 - 11 Wheel Pointer
 - 18 Home of the Boilermakers
 - 17 Sacred table
 - 19 Incarnation
 - 20 OVERSIGHT
 - 22 Moonlike
 - 24 A.B.A. member
 - 25 Eldes
 - 26 Ship's home stretch
 - 28 Glop
 - 29 Map lrs.
 - 31 Pub drink
 - 33 Does some laundering
 - 34 Kind of flute
 - 35 Seed covering
 - 37 Montreal nine
 - 39 Speed meas.
 - 40 Expensive
 - 41 Silvery-white metal
 - 43 Ends a chess game
 - 45 Tracks
 - 46 Marriage doc.
 - 47 Cods' cousins
 - 48 Brenda, Bart or Belle
 - 49 Seal of a sort

- ACROSS**
- 52 Adam's ale
 - 53 Aspersions
 - 54 Guevara
 - 57 Kitchen gadget
 - 58 SANCION
 - 60 — use of Taosm
 - 81 Biblical duke
 - 82 Scourge of serge
 - 63 Sights in the Seine
 - 64 Navy food
 - 65 — Harss, hero of "Giant in the Earth"
 - 66 FIX
 - 70 Raccoon's relative
 - 71 This may be spitchcocked
 - 72 Stigma
 - 73 "Where there — no Ten Commandments"
 - 74 Kipling
 - 75 Teaming
 - 76 Psychologist-author
 - 77 Chatterers, in Havelock
 - 78 WORST

Antilogous Words By T.W. Underhill

© New York Times, edited by Eugene Malachuk.

- DOWN**
- 1 Most abrupt
 - 2 Charlemagne's dom.
 - 3 Fussess
 - 4 Makes dark and gloomy
 - 5 Sorry
 - 6 Touches a base before running
 - 7 Building addition
 - 8 Mob follower
 - 9 Spiked the punch
 - 10 Highways
 - 11 Social divisions
 - 12 States firmly
 - 13 "What's My Line?" host

- DOWN**
- 14 Automne's predecessor
 - 15 RAVEL
 - 16 Wooden sanda
 - 17 Peace
 - 18 Peace
 - 19 Peace
 - 20 Magia
 - 21 Kind of glue
 - 22 Pens
 - 23 Shots
 - 24 Bumper
 - 25 Love apple
 - 26 Suffix with comment
 - 27 V.I.P. m. Kabul
 - 28 Falconer's trainee
 - 29 Kind of room
 - 30 Scrap

- DOWN**
- 44 Actress Garr
 - 45 Wall members
 - 47 "It — Be You," 1924 song
 - 48 Glossy
 - 49 Fumble in the dark
 - 50 Evangelist
 - 51 McPherson
 - 52 LIVID
 - 53 Trades, e.g.
 - 54 Chair piece
 - 55 Cause of many errors
 - 56 Red dye
 - 58 Japanese aborigines

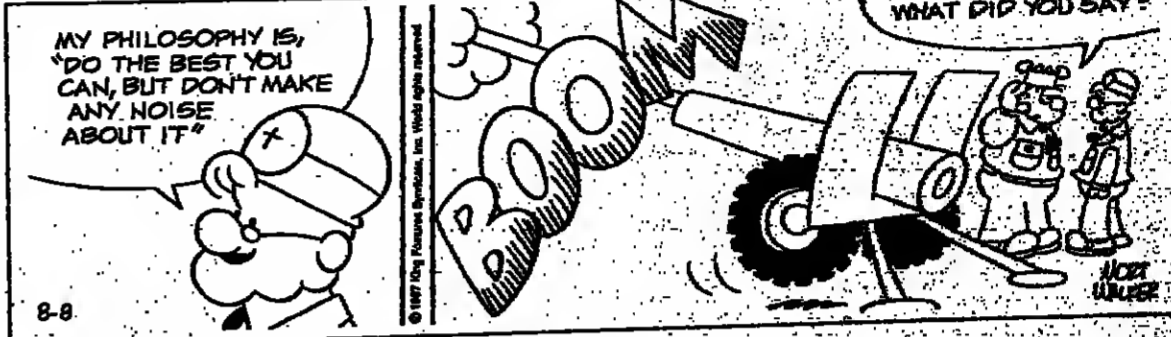
PEANUTS



BLONDIE



BETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



THE SONGLINES

By Bruce Chatwin, 93 pages, \$18.95, Viking Inc., 40 West 23d Street, New York, N.Y. 10010.

Reviewed by Edward Hoagland

BRUCE CHATWIN, a former pictures editor for Sotheby's, is best known for his stunning, acrobatic-minded travel book, "In Patagonia" (1977). He has also published "The Viceroys of Ouidah," a lushly exotic novel set in Brazil and Dahomey during slaving days, and "On the Black Hill," a fine, idiosyncratic novel about twin bachelor brothers in Wales, told with fairy-tale color and compression.

More recently, he went from England to Alice Springs, in "the dry heart of Australia," in search of what such pilgrims often go abroad for: a Golden Age, a new time frame, a calmer self and yet the piquancy of aboriginal motivations and and exile desperation.

Chatwin was fortunate enough to win the trust of a young Russo-Australian named Arkady Volchok, warm to spirit, fearless, competent, whose improvised job in this raw desert region of the down-under continent was to teach out of the elders of various aboriginal tribes the locations of their "Songlines" — the landmarks of mishaps and better

BOOKS

adventures, the marriages and burials of the numerous separate 1,000-mile (1,600-kilometer) mythic wanderings of their clan ancestors, like Emu, Honeyeater, Black Cockatoo, Monitor Lizard, Spidee, Snake, Bandicoot, Man and Pigeon. He told down through the generations by means of intricate, memorized chants that had sung "the world into existence" and finally wrapped the whole world in a web of song — so these sacred places won't be obliterated by a railroad line.

Chatwin is a spontaneous-sounding chronicler, very brief in his chapters, off-hand in conveying meticulously gathered information, a master of description: Home for an aborigine named Joshua "lay on the highest point of the saddle between Mount Collett and Mount Lieber. It consisted of a gutted stationwagon which Joshua had rolled on to its roof so he could lie under the bonnet, in the shade. The cab was wrapped in a black plastic sheet. A bundle of hunting spears poked out from one window."

Chatwin's method is to write down whatever occurs. If a white man is visiting sneezes into one hand and dries it surreptitiously under his chin, he puts that in. If four aborigines go hunting for

kanaroos in a truck and chase and ram into a nursing mother three times before killing her with a tire iron, and then abandon the meat, he records that too.

"Footwalking all the time all over the world," a man named Old Alex says, when encountered resting naked beside a ravine. By singing the world into existence the Ancestors had created it, and no aborigine could conceive that this created world was in any way imperfect. His religious life had a single aim: to keep the land the way it was and should be. He sang the Ancestors' stanzas without changing a word or a note, and so re-created the Creation, Volchok explains.

This magnificent theme of songs drawn from the Dreamtime and rehearsed and kept fresh in the mind by walkabouts — a "prodigious sense of orientation" in a 1,000-mile world which is to be maintained intact — is given eloquent treatment here, together with an affectionately pungent portrait of the decay and ennui afflicting the busmen's society since their conquest by the whites. The whites, in these deserts are mostly fractured souls, bombastic, intransigent, anxious runaways of doubtful momentary agenda for themselves, although the women do tend to hold up better than the men.

Perhaps Chatwin's favorite person is a hermit priest who lives in a hut by the Timor Sea — Father Terence, "with reddish hair, what was left of it, and not too many flaky brown teeth. He wrapped the teeth in a hesitant smile. He would soon have to go to Broome, he said, to have the doctor look after his sklo cancers." Religion is often a centerpiece in Chatwin's writing, and they walk the beach happily.

Despite its virtues, however, his book seems a bit off-stride, overly shaky and lonesome in tone sometimes (a shakiness he never acknowledges or makes interesting), and it has been fattened with recollections and excerpts from diaries that he had kept during several sojourns in the Sahara a decade before he says he ultimately burned. He has grafted one unfinished book onto a different one, hoping that the seams will fit. They don't entirely, but it's all charming anyway, and impeccably stylish, and rises unexpectedly to a joyous ending.

Edward Hoagland, whose books include "African Calliope" and "Seven Rivers West," wrote this review for The Washington Post.

DENNIS THE MENACE



WEATHER

EUROPE		ASIA	
High	Low	High	Low
Algeria	17-22	16-22	16-22
Amsterdam	12-17	16-22	16-22
Athens	12-17	16-22	16-22
Bombay	22-28	16-22	16-22
Buenos Aires	12-17	16-22	16-22
Calcutta	22-28	16-22	16-22
Cairo	12-17	16-22	16-22
Colon	12-17	16-22	16-22
Hankow	12-17	16-22	16-22
Harbin	12-17	16-22	16-22
Hong Kong	12-17	16-22	16-22
Kobe	12-17	16-22	16-22
London	12-17	16-22	16-22
Manila	12-17	16-22	16-22
Medan	12-17	16-22	16-22
Osaka	12-17	16-22	16-22
Paris	12-17	16-22	16-22
Perth	12-17	16-22	16-22
Port of Spain	12-17	16-22	16-22
San Francisco	12-17	16-22	16-22
Singapore	12-17	16-22	16-22
Sourabaya	12-17	16-22	16-22
Taipei	12-17	16-22	16-22
Tokyo	12-17	16-22	16-22
Yokohama	12-17	16-22	16-22

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Aug. 7

Market	Index	Change
Amsterdam	359.1	+0.1
Bombay	12,100	+100
London	2,350	+10
Manila	1,200	+10
Paris	1,200	+10
Singapore	1,200	+10
Tokyo	1,200	+10

Market	Index	Change
Amsterdam	359.1	+0.1
Bombay	12,100	+100
London	2,350	+10
Manila	1,200	+10
Paris	1,200	+10
Singapore	1,200	+10
Tokyo	1,200	+10